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10 JULY 1986

# West Europe Report

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## POLITICAL

## CYPRUS

## ND'S MITSOTAKIS CENSURED FOR REMARKS ON TURKEY

Nicosia I SIMERINI in Greek 22 May 86 p 1

[Excerpts] "The Aegean is in danger of becoming a powder keg on which both countries will be sitting...If we do not start a dialogue with Turkey, what shall we start? A war?" Mitsotakis, 20 May 1986.

We are certain that Mitsotakis, the leader of the major opposition in Greece, does not claim a discovery nor an intention. That the Aegean is not simply in danger of becoming but is already a powder keg need not be discussed. What needs discussion is the Mitsotakis political reflection and his crucial question whether we should start a dialogue or a war with Turkey.

Mitsotakis should agree with us that neither war nor peace between Turkey and Greece has existed since 1974. There exists a "peace/war", an unproductive and uncertain peace/war which provided only profits for the Turks and produced only harm for the Greeks. The Turks painlessly conquered half of Cyprus and at no cost and have already prepared the diplomatic ground for conquering half the Aegean Sea.

In 1974 the two Attilas [invasions] imposed the war on Greece which accepted and suffered national dishonor while it limited itself to empty declarations. Karamanlis' antics, which led to Greece's getting out of [the military wing of] NATO (presumably as a reaction to the dishonor the nation suffered), proved to be at least comical since Greece was forced to beg for its return to NATO. And it did return. Why? Because Turkey was left alone and wandered about the Alliance as it pleased at the expense of Greece...

So, if we do not hold a dialogue with Turkey, Mitsotakis says, what shall we do? War? But if Turkey occupies Greek territories, states its new issues, and prepares for war, what is the practical meaning of the Mitsotakis question? Moreover, when each season of the year a Greek leader declares directly or indirectly that he will not fight a war for the shrinking Greek space, why



should the Turk put his expensive sword in its sheath? Why should he not go ahead with his plans since every now and then a Greek leader confirms that the Greeks will not fight for their territory and rights?

The policy of backing down and appealing to Turkey has failed. Mitsotakis is a descendant of the Venizelos family. He possesses intelligence, patriotism and capabilities. These qualities must be marshalled in a pan-national unity for reassessment and re-orientation of Greek-Turkish positions. Because events begin to persuade us that not only in Cyprus but in Greece as well there is need for a government of national unity. Deadly dangers are encircling the nation. The time has come for leaders in Cyprus and Greece to be fully aware of these dangers. They must cease taking things lightly and they should marshal themselves for protecting the national area which is threatened in many ways.

7520

CSO: 3521/156

POLITICAL

DENMARK

CP CANDIDATE FOR DEPUTY CHAIRMAN IN UNION NARROWLY DEFEATED

Copenhagen BERLINGSKE TIDENDE in Danish 16 May 86 p 1

[Article by Karin Kaas: "Communists Close to Nurses' Top Post"]

[Text] The Danish Nursing Council is continuing with its present leadership for the next two years after a month-long debate regarding the communist vice-chairman candidate, Inger Rasmussen.

Only seven votes separated Inger Rasmussen, vice-chairman of the Capital County District of the Danish Nursing Council (DSR) and a member of the DKP [Communist Party of Denmark] Central Committee, from being elected vice-chairman of the DSR. An election which would have given the nurses' chairman, Kirsten Stallknecht, "food for thought."

Kirsten Stallknecht is "pleased about the fact that the discussion at the congress took place calmly and peacefully." She recognizes that the sharp-tongued debate up to the congress was criticism of her and the chairmanship, but "never regarded it as anything personal."

Inger Rasmussen received 76 of the 156 delegate votes; the former--and, accordingly, also the present--first vice-chairman, Social Democrat Benny Andresen, received 153 votes; while the second vice-chairman, Birthe Wernberg-Møller--apolitical--received 83 votes.

The lost vice-chairmanship election was not the only defeat the opposition suffered yesterday. A very large majority (93 votes versus 48) of the congress approved the criticism for disloyalty which the DSR's executive committee earlier cast on Inger Rasmussen's party comrade, Lisbeth Uhd, the chairman of the Aarhus County District. She was reprimanded for taking part in the Shop Steward's Ring's activities as county district chairman--which a majority of the party-neutral labor union's central committee found in conflict with the by-laws.

8831

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POLITICAL

DENMARK

POLLING TRENDS SINCE 1982 INDICATE STRENGTHENING OF LEFT

Copenhagen BØRSENS NYHEDSMAGASIN in Danish 5-12 May 86 p 5

[Editorial: "For Nonsocialist Reflection"]

[Text] BØRSENS NYHEDSMAGASIN has recently occupied itself somewhat with the government's future, the progress of political parties and with the prospects for an election. This is not to speculate on election rumors, but to draw attention to some clear currents among the population. If a number of individual developments are put together, you see, they paint a picture which can have very far-reaching consequences for nonsocialist Denmark. Of course, it is possible to ignore, make light of or repress them, all according to temperament. However, BØRSENS NYHEDSMAGASIN interprets the signals as an incipient and quite characteristic showdown between a nonsocialist and socialist social model. The starting point for this showdown is not the best for the nonsocialist wing. If this fact is also repressed, the battle is half lost. The nonsocialists are lying on the bed they have made.

Some of the individual developments which enter into the picture are, of course, the signals from the Socialist People's Party's national congress and the interest in a red cabinet, and besides, the Socialist People's Party's very great progress, including the thought-provoking fact that almost one out of three new voters are voting for the Socialist People's Party. In addition, there is, among other things, the trend in 82 polls by four opinion analysis institutes. We analyzed these polls in POLITISK UGEBREV. The result is unambiguous. In the first 41 analyses the nonsocialist parties could register a certain majority 35 times, and in the last 41, only 9 times. On the other hand, there has been a red-green majority 18 times.

It is doubtlessly also this perspective which caused the Conservatives to make a major AIM [non further identified] analysis of their voters' attitudes. The results up to now can provide food for thought. They perhaps show tendencies toward a social democratic attitude in large parts of the electorate.

The challenge that nonsocialist Denmark is confronted with is, among other things, a stronger gathering on the left wing and new pronounced currents in the votership--mind you, currents which do not point toward a nonsocialist model. Gradually the landslide to the left has gained such inertia and



stability that time and an effort are required to swing attitudes around. It is here that the question of elections becomes topical.

Regardless of whether the election comes in the fall or after the collective bargaining next spring, the political developments show how short the time really is. And how important it is that nonsocialist Denmark mobilize ideas and resources to a showdown. Instead of repressing the election, the non-socialist leaders ought to make it topical and make it one of the time's hottest political subjects.

It is also in light of this that BØRSSENS NYHEDSMAGASIN believes that the prime minister must formulate his election platform at the latest in his opening address in the fall. It can become the most important address he gets to deliver as prime minister. It is at this point at the latest that the platform and strategy for the showdown with the left wing must have been worked out. A first point of encounter can very well be the collective bargaining, especially because the landslide toward the left came after the government's intervention last time. Although the government declines to join directly in the negotiations, it will come--directly or indirectly--to decide the premises.

After three and one half years of the nonsocialist government, many economic goals have been achieved and much new growth has been begun. However, this has not cemented together a nonsocialist government or created a nonsocialist social model. This is perhaps due to the fact that the government would rather disclaim any ideology and therefore is not providing the voters--especially the young--with any vision to take a stand on. Under any circumstances, the political developments have shown that the nonsocialist alternative, in spite of demonstrable major results, can quickly crumble.

The coming year will be the decisive challenge for nonsocialist Denmark. The first task will be to recognize the challenge. This should not be difficult. The writing on the wall is written in capital letters.

8831

CSO: 3613/135

POLITICAL

FEDERAL REPUBLIC OF GERMANY

MAJOR SHIFTS IN WOMEN'S VOTING PATTERNS STUDIED

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 12 May 86 p 14

[Excerpt from book by Joachim Hofmann-Goetting, Assistant Director of the Saarland State Office in Bonn: "It Is Women Who Decide the Elections--On Political Emancipation by Ballot--The Political Parties Cannot Turn Their Backs on Equality for Strategic Reasons"]

[Text] Although the proportion of women among elected officials has scarcely increased since the introduction of women suffrage 70 years ago--8.7 percent of the deputies to the National Assembly of 1919 were women and 9.8 percent of the deputies elected to the 10th Bundestag in 1983 were women--the political parties have found that women do decide the election outcome and have fashioned their campaign platforms accordingly. In anticipation of the national election, the CDU, for example, held a women's policy congress in May of last year for the specific purpose of attracting the problem group of young women voters. In his book, "Emancipation by Ballot. 70 Years of Women Suffrage in Germany," Joachim Hofmann-Goetting, who assumed the post of assistant director of the Saarland state office in Bonn this year, describes the voting attitudes and the political participation of women. What follows are excerpts from Hofmann-Goetting's book which is due to be published shortly by "Neue Gesellschaft."

The political parties in Bonn have gotten the message: most likely it will be the women who will decide the upcoming Bundestag election--and that is probably how it will also be with regard to communal and regional elections. There is a growing determination among women not simply to leave politics to the men but to take part in elections themselves. At the same time, there is a growing inclination among women to establish their own party preferences, independently of men.

## Some Official Statistics

These trends are not merely reflected in the polling data but in solid, official statistics.

In the Weimar Republic, men and women frequently cast their ballots in different boxes so that we have fairly reliable statistics on the voting patterns of women during those years which followed the introduction of woman suffrage on 12 November 1918. In the FRG, the Federal Bureau of Statistics and the Laender statistical bureaus have been conducting "special censuses according to age and sex" at more and more regular intervals since 1953, i.e. election districts were supplied with large numbers of ballots specially marked according to age and sex which were subsequently evaluated in full observance of the secrecy of the individual vote. These representative election statistics provide us with fairly reliable information about the actual voting patterns of men and women of varying age for a total of 87 elections between 1953 and 1985, including elections to the Bundestag, the European parliament and to provincial legislatures. In addition, many of the large cities have supplied their own statistics on municipal elections.

The Federal Bureau of Statistics recently began to computerize the data on Bundestag, European parliament and provincial assembly elections and to make them available to the public.

## Politics No Longer a Male Preserve

The data indicate that things are on the move as regards voter participation. Women are less and less willing to accept the fact that politics is a male preserve. In the Weimar Republic as well as in the fifties and sixties in the FRG far fewer women voted in elections than men; but this has gradually been changing throughout the seventies and eighties. The fact that voter turnout among men and women is now nearly the same is primarily attributable to the succeeding generations of women who have increasingly been exercising their right to vote as a matter of course.

At this time, the 23.9 million women make up the majority of those eligible to vote and in the last Bundestag election they also made up the majority of the voters, i.e. 53.1 percent. Slight shifts in average party preferences among women are capable of determining the political coloration of the government.

## Women Vote Differently

These differences between average party preferences among men and women have always existed: in the Weimar Republic, during the early years of the FRG--and they still exist today. The only thing is that the winners and losers have traded places.



In the Weimar Republic, women tended to give their vote to right-wing parties to a far greater extent than men in Reichstag elections. This phenomenon repeated itself during the early years of the FRG.

That particular time period was marked by substantial SPD deficits among women voters (reaching an all-time low of -7.7 percent in the 1965 Bundestag election) and substantial surpluses for the CDU/CSU (reaching an all-time high in the 1969 Bundestag election of 9.9 percent). The SPD and CDU/CSU percentages among women in the provincial elections during that same period were more or less the same. In the Laender with Protestant majorities the SPD did better among women and in the city states more women than men voted for the SPD in some elections. The CDU/CSU, on the other hand, did extremely well among women voters in Laender with a Catholic majority.

#### The Big Change of 1972

The big change occurred in the 1972 Bundestag election. The SPD managed to cut down on its deficit among women voters that year and in 1980 and in 1983 came out ahead among women voters for the first time in history.

At the same time, the CDU/CSU surpluses among women voters shrank appreciably in the 1972 election and in the 1980 Bundestag election, the CDU/CSU was behind among women voters for the first time.

It is particularly important to note that women were not merely following a trend but were in fact establishing one. As men began to flock to the CDU/CSU in 1972, women did just the opposite. Among men, the CDU/CSU total climbed from 40.6 to 43 percent even as it declined among women from 50.6 to 46 percent. This trend among both men and women not only applied to young voters but to members of the older generation as well.

Generally speaking, the Landtag elections present much the same picture of women turning to the SPD and away from the CDU/CSU. In the predominantly Protestant Laender this trend started earlier and was more marked than in predominantly Catholic Laender. In most cases, it is a continuing trend which affects all generations. But at times the averages for men and women voters follow an opposing trend as demonstrated above with regard to the 1972 Bundestag election.

This particular circumstance, i.e. that the party trends of women run directly counter to those of men, lends such great importance to women as a group to be targeted in preparation for the upcoming Bundestag election.

#### CDU/CSU Losing Younger Women

The CDU/CSU could still survive by holding on to the small (1.5 percent) surplus among women voters which it obtained in the 1983 Bundestag elec-

tion--the more so since it did somewhat better in various provincial elections in the interim, e.g. +4.8 percent in the Saarland; +5.4 percent in Berlin). The reason for concern are the younger women voters. Since this year, young voters generally have been a problem group for the CDU/CSU; but the situation is even more worrisome with respect to young women voters. The SPD, on the other hand, has been doing well in all elections since the 1983 Bundestag election--reaching a high of 13.4 percent more women voters than men among young people in the Bremen Landtag election of 1983.

The CDU/CSU losses among young women voters hurt the party and offer hope for the future to the SPD, since a party without youth backing simply has no political future.

#### Greens Not Attractive to Women

In view of the fact that the Greens have roots in the women's movement and that they lay great stress on women's issues both in terms of their programs and their leadership, one might have expected women to support the party to a greater extent than men.

Surprisingly enough, the opposite is the case. Fewer women than men have voted for the Greens in Bundestag elections, European elections as well as in all 20 Landtag elections--and this applies to all age groups.

As far as their voters are concerned, the Greens are definitely more of a men's party than either the SPD or the CDU/CSU as well as the FDP which also has less support among women generally speaking.

#### Emancipation from Three K's

Why the Greens have a more difficult time attracting women than men is hard to tell on the basis of available information. Perhaps the rigorouslyness of the Greens simply runs counter to the continuing, widespread need among women for harmony. But that is just speculation.

The long trek which led women from the CDU/CSU to the SPD may be somewhat easier to explain. Election researchers today all agree that the "gender factor" is not the reason behind the difference in voting behavior by men and women.

Voting attitudes are group attitudes. Social behavior and party preference do not develop in the isolation of the voting booth but are snapshots, as it were, of a lifelong socialization process determined by a wealth of interconnected and thus almost unidentifiable individual communication factors.

In the past, the communication field of women was limited to the three big K's [Kueche, Kinder, Kirche, i.e. kitchen, children and church]. Today, however, a fourth "K" has been added: K for Kommunikation, i.e. social communication in all spheres of life.

Official statistics as well as convincing polling results offer ample proof of the correctness of this central thesis which explains the women's change of heart.

#### Equality of Educational Opportunities

The policy of equality of opportunity and the opening of the educational system in the late sixties and early seventies benefited young women most of all. At this time, they are enjoying almost as much higher education as young men.

This has had a positive effect on voter turnout among women. This appears to have coincided with the women's breaking of their traditional ties to the CDU/CSU.

#### Increase in Professional Activity

The desire of a growing number of women to become part of the labor force and to combine their job with marriage and family life has become more and more apparent in the past 15 years or so. In 1984, more than 55 percent of middle-aged women between the ages of 40 and 45 held jobs of some kind.

Many polls have indicated that women engaged in some kind of profession are more likely to support the SPD than housewives. The continuing discrimination against women (e.g. higher unemployment; relegation to part-time jobs; less pay; less chance of advancement) raises a "new social issue" of a familiar kind.

The much debated discrimination of women in political life and their consistently small share of seats in the main legislative bodies is nothing more than the natural consequence and manifestation of discrimination against women in professional life generally.

#### The Fourth Big "K"

As more women entered the job market, the importance of church and family began to decline. Previously, the political opinions of women were largely subject to the influence of the church and the family; but today, women occupy a far more solid position in social life generally. Membership figures of associations and public opinion polls both attest to that.

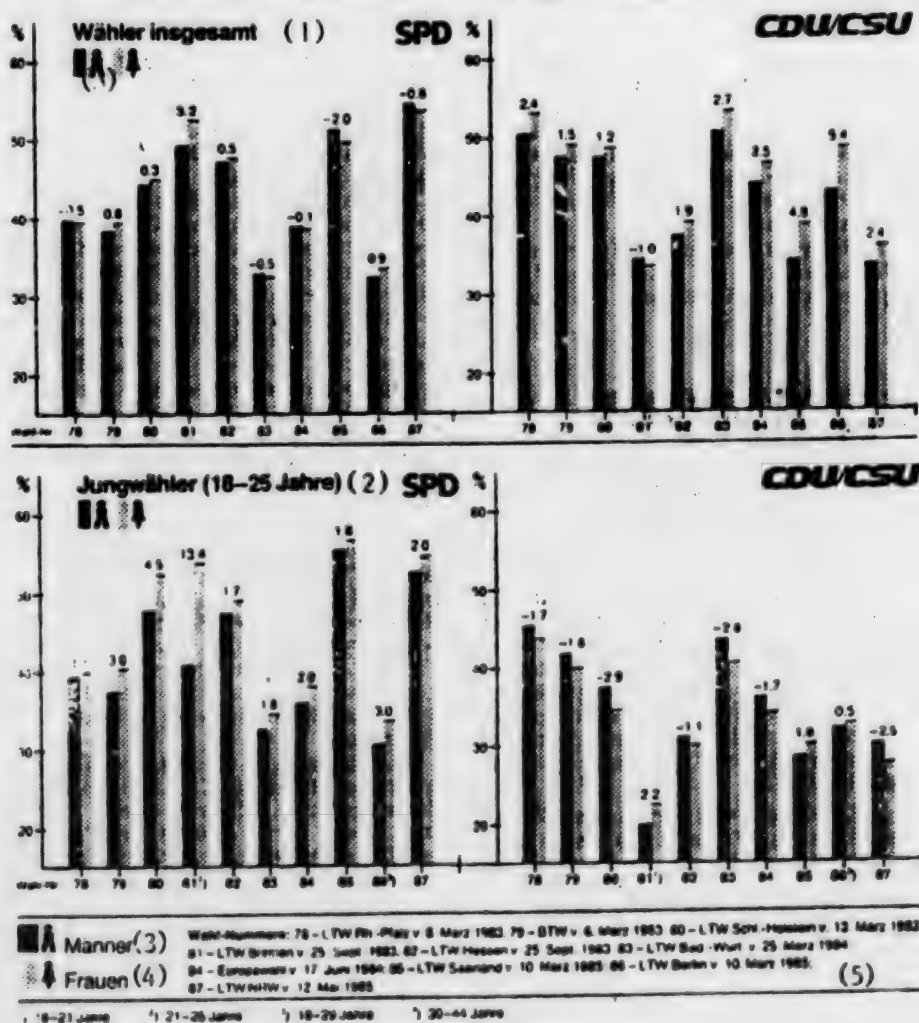


## Emancipation by Ballot

At this time, the views of the different political parties on women's issues do not seem to have a major impact on the party preferences of women; but no one knows whether this might not change at some future date.

This might lead to the gradual realization in the political parties dominated by men that a solid commitment to the principle of women's rights will be imperative for strategic reasons, if that party wishes to attain a majority. Then the participation of men in the social process of emancipation would be their job just as much as opposition to emancipation was in past decades. The ballot would then no longer be viewed as an expression of women's attitudes toward emancipation. Emancipation itself would then be furthered--with the help of the ballot.

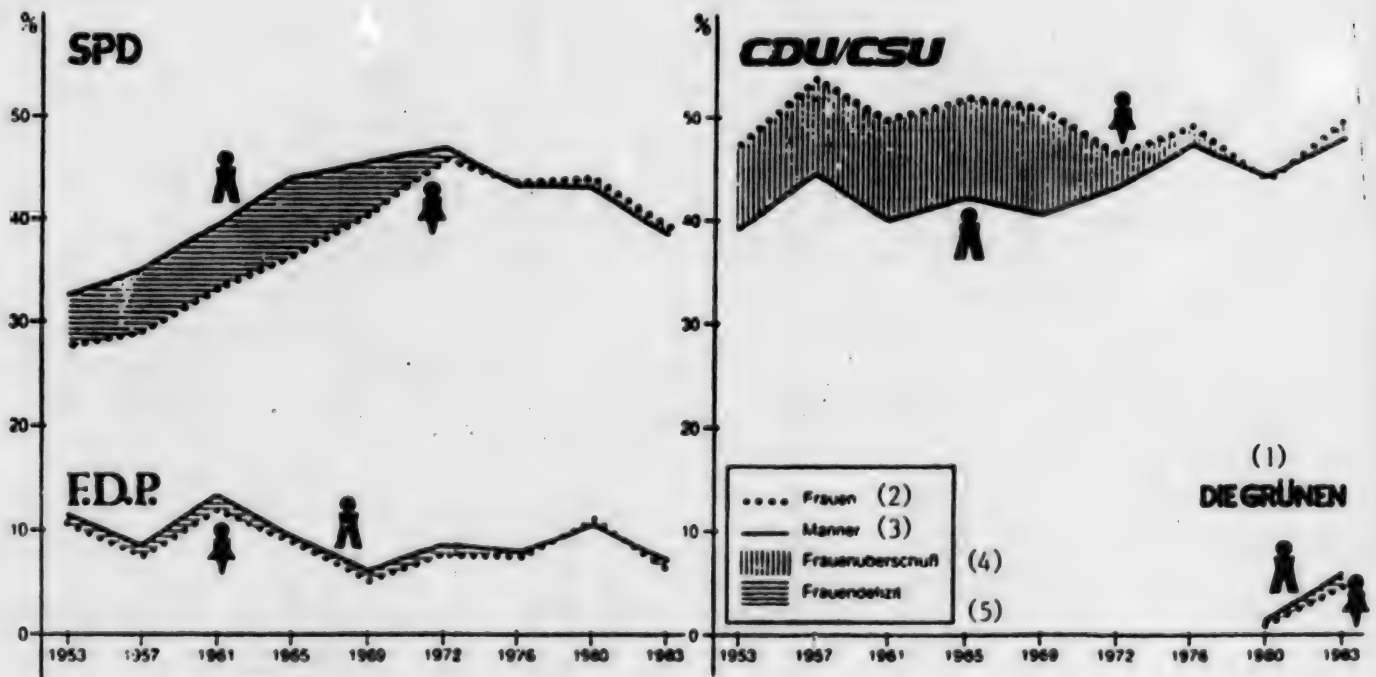
Fig. 1. Party Preferences of Men and Women in 1983-1985 Elections by Age Groups



Key:

1. Total electorate
2. Young voters (18-25 year-olds)
3. Men
4. Women
5. 78=Rhineland-Palatinate Landtag election, 6 Mar 83;  
79=Bundestag election, 6 Mar 83;  
80=Schleswig-Holstein Landtag election, 13 Mar 83;  
81=Bremen Landtag election, 25 Sep 83;  
82=Hesse Landtag election, 25 Sep 83;  
83=Baden-Württemberg Landtag election, 25 Mar 84;  
84=Europe election, 17 Jun 84;  
85=Saarland Landtag election, 10 Mar 85;  
86=Berlin Landtag election, 10 Mar 85;  
87=North Rhine-Westphalia Landtag election, 12 May 85;
- 1) 18-21 year-olds
- 2) 21-25 year-olds
- 3) 18-29 year-olds
- 4) 30-44 year-olds

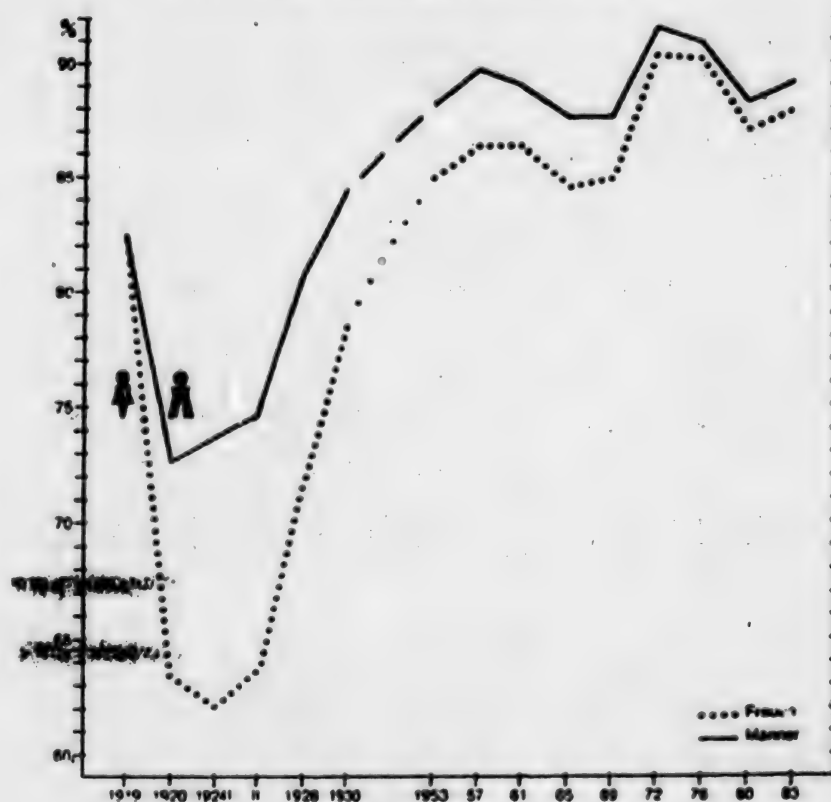
Fig. 2. Women Vote Patterns in Bundestag Elections 1953-1983



Key:

1. Greens
2. Women
3. Men
4. Women vote surplus
5. Women vote deficit

Fig. 3. Voter Turnout of Men and Women in  
1919 National Assembly election,  
1920-1930 Reichstag elections and  
1953-1983 Bundestag elections



9478

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POLITICAL

FINLAND

## SDP QUICK TO TARGET VAYRYNEN AFTER CANDIDACY STATEMENTS

Helsinki HUFVUDSTADSBLADET in Swedish 7 May 86 p 2

[Editorial by Bjorn Mansson: "SDP Campaign Start--Against Vayrynen"]

The Social Democratic attacked on the Center and Paavo Vayrynen are criticized by Bjorn Mansson, who maintains that the Center should have right to produce its political alternative. He notes that the SDP has started its presidential election campaign--against Vayrynen.

[Text] Overshadowed by the interest directed towards the risks of nuclear power this past week, the domestic policy debate has sharpened and the controversy between the Center and the Social Democrats in particular has increased.

After the Center party-delegation suggested that Paavo Vayrynen be nominated for president and the Center leader made known his government policy, it was unavoidable that Vayrynen was to dominate the political debate and the May Day speeches especially. The manner in which leading Social Democrats took their stand in regards to Vayrynen and even attached the Center leader personally, causes some concern for the approaching presidential election campaign and prior to that the campaign before the Parliamentary election in March of next year.

On its own merits some acerbity is welcome in our debates, in order to awaken the political interest of the citizens, and, on May Day especially, the speakers are traditionally considered to have the right to pepper their statements with some extra demagoguery and humoristic malice. But the messages from certain Social Democratic speakers give rise to the question of whether the SDP is building its political image on attacks on the Center, rather than on arguments for its own political alternative. And they are doing this in a situation where the Center is eager to stress the fact that it does not wish to aim its campaign against the incumbent president, for instance.

The chairman of the Parliamentary group, Pertti Paasio, for example, made ironical comments about Vayrynen's announcement that he does not really "seek" the presidency, and added that the cooperation within the government has functioned best when the foreign minister was out of the country. Paavo Lipponen, a member of Parliament, compared the actions of the Center to the propaganda methods of Goebbels.

Reino Paasilinna, a member of the Parliament, went if possible even further when he, alluding to the nuclear power plant disaster in Chernobyl, accused Paavo Vayrynen of spreading "radiation that corrodes people's interests." He also took the opportunity to call attention to Vayrynen's famous house in Lapland....

A Member of Parliament, Arja Alho was of the opinion that constitutional reform is intended to serve "one man's, Paavo Vayrynen's, lust for power"--an especially strange statement in view of the fact that the SDP (and not least Alho himself as a member of the constitutional affairs committee) has accepted the reform.

Seppo Heikki Salonen, editor-in-chief of the party newspaper, went farthest of all. He hinted in an editorial that Vayrynen is interested in the right-wing foreign policy expectations that have remained unrealized since the 1930's. Such foreign policy mud-slinging has not occurred for several years.

Not even the May Day speech of Prime Minister Sorsa was completely free from sneers, although made at a different level of debate from the samples quoted. It was unnecessary for Sorsa to say jokingly that the Center now wants to give the Finnish people the taste of a situation where there is only one presidential candidate.

One party has to be the first with its nomination and the Center Party is only following its by-laws to the letter. They state that presidential candidates are to be nominated by the party congress.

More important than Sorsa's little taunts are his more serious conclusions drawn from the nomination of the Center candidate. Sorsa said that it "forces others to ponder," and he specified in a radio interview that the SDP must consider nominating its candidate sooner than planned, i.e. before the party congress at the beginning of June 1987.

That was an interesting message. The Social Democrats could, for instance, use the same "multi-stage rocket" approach in their nomination that is now used by the Center. The party leadership or delegation can always suggest its candidate to the party congress in plenty of time before it convenes. Furthermore, they could resort to an established practice from the days of Kekkonen, i.e. calling on the incumbent president with all the pomp and circumstance, requesting that he become a candidate.

Looking at the timetable from the tactical viewpoint of the Social Democrats, the time for the first nominating decision depends on the candidate himself. If Mauno Koivisto accepts the nomination, it would be fitting that the decision be announced before the Parliament elections, in the hope that a "Koivisto-effect" would occur during those elections. At any rate, the support of Koivisto personally, would be greater than that of the Social Democratic Party.

On the other hand, if the candidate--contrary to expectations--has to be someone else, it is politically desirable and perhaps even necessary for the SDP to save the nominating decisions until after the Parliamentary elections.

In any case, the May Day speeches of the leading Social Democrats demonstrate that even the SDP has now started a presidential campaign--not so much for their own candidate as against the one from the Center Party.

Since the SDP and the Coalition Party have an obvious common interest in portraying each other as the main political alternatives both in the Parliamentary elections as well as the presidential election, the Center ought to be allowed to produce its own alternative with a view to avoiding such an unhappy polarization.

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CSO: 3650/212



POLITICAL

FRANCE

#### CITIZEN VIEWS ON COHABITATION EXAMINED

Paris LE MONDE in French 29 May 86 p 7

[Article by Jerome Jaffre, SOPRES director of political studies and lecturer at the Paris Institute for Political Studies]

[Text] The success cohabitation has met with among the public is upsetting the game of politics. Furthermore, the expression, "state of grace," applies much more to cohabitation itself than it does to the new government. Those playing a role in it are profiting from this while its detractors are suffering because of it. Even though the class of politicians does not know how to make use of it, strategies will henceforth have to be organized in terms of this imperative.

All the opinion polls bear witness to the fact that the French like cohabitation despite the recent turbulences it has led to. Sixty percent of the people interviewed by SOPRES [French Opinion Polling Company] for LE NOUVEL OBSERVATEUR feel that public institutions have been functioning well since 16 March. According to the latest BVA [not further identified]-PARIS MATCH poll, 48 percent of those interviewed think that cohabitation is a good thing for France as against 36 percent who are of the opposite opinion. Favorable opinions have risen 9 percentage points in 1 month. A SOPRES-Le POINT poll conducted in mid-April indicates that 71 percent of all Frenchmen hope that it will last until the presidential election in the spring of 1990. This desire is massive among Socialist (78 percent), UDF [French Democratic Union] (74 percent) and RPR [ Rally for the Republic] (70 percent) sympathizers. It is even held by a majority of Communists (58 percent) and a bit less so in the National Front (44 percent versus 41 percent).

This support is without a doubt due to three factors. First of all, cohabitation appears to be a good response to the closer than expected results of the 16 March election. It is hard to demand the departure of the president of the republic with a majority of three votes; 69 percent of all Frenchmen hope that Mr Mitterrand will finish his term end, for the first time since the question has been posed, a majority of conservative voters themselves (50 percent versus 40 percent) share this legitimist attitude. Second, cohabitation seems to be reducing the intensity of the French "civil cold war." Tired of the verbal excesses of bipolarization, the public appreciates a situation that seems to

it to approach the unanimous dream the country experienced for a few brief moments in its recent history, during the Liberation or in 1958.

#### Balance of power

At any rate, cohabitation enables us to achieve a balance of power the public has been longing for. One result, a reversal, of the poll taken on the 25th anniversary of the Constitution (footnote) (See the chapter on Olivier Duhamelet, "The French and the Fifth Republic," in SOFRES, "Public Opinion," 1984, pp 103-112) retains our attention. Thirty-five percent of the people interviewed answered the question: "Who -- Parliament, the president or the government -- should set the major guidelines for French policy?" with the government, 26 percent with Parliament and only 25 percent with the president. In cohabitation the public has the satisfaction of seeing a new distribution of powers applied, that is, in accordance with the time-honored formula: The president presides and the government governs.

Cohabitation has a considerable effect on political leaders' popularity. This has for the first time in his career propelled Mr Jacques Chirac to the top of the popularity hit parade, to a level he had never before attained, 56 percent in the latest SOFRES-LE FIGARO-MAGAZINE opinion poll. This has clearly permitted him to take the lead as the Right's best candidate for the next presidential election. It is likely that the public appreciates the fact that the prime minister has without interruption since 1983 spoken favorably of cohabitation, that he impressed his partners the day after the elections and that he appears to be respectful of the office of president on all occasions. In comparison with the chairman of the RPR's usual stern image, this change in attitude of the French may be providing him with the important status of rallier which he has up to now lacked.

Conversely, Mr Raymond Barre is paying for his stubborn opposition to cohabitation. The deputy from Rhone, who with the exception of the extremists is the only leader to have embodied rejection of the present formula, has lost 13 percentage points since March in the SOFRES poll. In the Left this setback is a slight one for him, but in the Right -- among those who would normally vote for him -- it is a considerable one: He has lost 15 points in the RPR and 21 points in the UDF. Second on the popularity hit parade in March, he occupies no more than eighth place today.

Not long ago the front runner in his camp for the presidential election, he has now been largely outdistanced by Mr Jacques Chirac. To be sure, Mr Barre has in the past plumbed greater depths before attaining the heights. But for this to repeat itself, cohabitation would have to succumb to a negative event that would have an effect as powerful as the 1983 austerity plan had on the economy. There is no certainty that this will happen.

#### Mr Mitterrand's Popularity Restored

At any rate, cohabitation has restored his popularity to Mr Mitterrand. True, a steady rise in his rating has been recorded for the president since the fall of 1985. But the new post-election hand he holds has enabled him to advance

sharply by 10 points and to record the highest level of confidence in him since July 1982. The president is now the most popular of the Socialists, including Mr Michel Rocard. Comparable to the one he experienced at the end of 1980 when he impressed people as a candidate, the effect of this resurrection is to wipe out the public's critical assessment of his actions during his first few years. According to the SOMOS-SUD-OUEST poll on the occasion of the 10 May anniversary, 52 percent of all Frenchmen feel that the balance sheet for these 5 years is positive, as against 36 percent of them with negative opinions. This is the best result recorded since 1982 with this annual poll.

The public is grateful to Mr Mitterrand for having accepted the election results without hesitation, for having without delay appointed Mr Jacques Chirac to the post of prime minister and for having allowed the establishment of a new balance of power that is in keeping with the wishes of the French... with the present balance of power. Combined, all these factors have since March advanced his popularity by 15 points among conservative voters. Moreover, the president appears to be a deterrent to the possible excesses of the new majority: Negotiated and shared power seems to be preferable to absolute power.

At any rate, Mr Mitterrand can for the first time since the start of his 7-year term reconcile his double role: As president of France, he sees to it that the country is united and its institutions respected; as head of the Left, he embodies for his partisans their chances of regaining power from the new majority. His popularity is exceptional among Socialist sympathizers (87 percent) and it has risen by 10 points among Communist voters since the shift [in the balance of power].

It is clear that the effect of cohabitation has already been to obscure the public's memory of the Socialist Party's (PS) electoral defeat. Nothing like the knockout the RPR and the UDF suffered after they lost power in 1981. The PS's popularity has increased by 6 points since March. With 55 percent favoring it, it is the most popular of the political parties and has attained its highest level of popularity since April 1983. After all, in the latest IFOP [French Public Opinion Institute]-JOURNAL DU DIMANCHE poll a jump of 10 points was recorded for both Mr Michel Rocard and Mr Laurent Fabius. Scarcely 2 months after their defeat, the PS and its leaders already appear to have recovered their ability to attract voters.

These latest indications are probably sufficient to demonstrate that the fervor over cohabitation cannot be mistaken for a state of grace for the new government. It would, moreover, be pointless to decree the end of this state of grace since the government has not experienced it. With a 56-percent vote of confidence, the popularity of those who govern us is today considerably less than the 70 percent, or even 75 percent, Messrs Mitterrand and Mauroy obtained in the summer of 1981. Confidence in the government's ability to guarantee the security of the French is seven points less than that invested in the Socialists in June 1981, 9 points less in its ability to improve France's influence in the world, 23 points less in its ability to reduce unemployment and 26 points less in its ability to combat the rise in prices.

The psychological climate in the country has slightly improved since March, but it has not changed. Forty-two percent of all Frenchmen are pessimistic, instead of 49 percent before the shift. In 1981 the corresponding figure dropped sharply from 58 percent to 35 percent. At any rate, for 2 months now the left has seen its popularity increase by three points and the right by two. Between May and July 1981, the PS gained 14 points.

This absence of a state of grace can no doubt be explained by the economic situation in 1986. While the 16 March victory was too much anticipated to in itself give vent to a rush to join, the one obtained on 10 May 1981 was an enormous surprise. Furthermore, the [former] victory was not a triumphal one and its is only partial, since apparently only half the power has fallen into the hands of the new majority. But aside from these reasons, we may ask ourselves whether the difference in climate is not due to French reticence with regard to the new majority's platform.

#### Factual Evidence

We are in no way witness to the 1981 situation, when for several months all the proposals emanating from the Socialists, with the exception of abolition of the death penalty, obtained the assent of the public. As we know, the French, including conservative voters, were against elimination of the ICF [not further identified] and elimination of administrative authority to discharge employees. They are very reticent about denationalization of one, and all the more so, of two television networks. They are less enthusiastic about denationalizations than they were before the shift. In May 1985 50 percent versus 34 percent of them were for returning the industrial combines nationalized in 1981 to the private sector and 47 percent versus 37 percent for doing the same for the banks. A year later, according to the L'ESPRESSO-LE NOUVEAU OBSERVATEUR poll, no more than 42 percent versus 29 percent want this for the industrial combines and 39 percent versus 33 percent for the banks. The desire for denationalization has declined by 12 points among right voters and by 11 points in the left. Everything is proceeding as though, confronted with the factual evidence, the French were moving back to liberalism.

This complex situation is rendering the next presidential election very uncertain, even if it leads to retention of the two chief protagonists, Messrs Chirac and Mitterrand. The uncertainty lies in the way the popularity ratings of the president and the prime minister are shaping up: parallel to, as they have since 16 March, or intersecting with one another, as their belonging to two opposing camps would require them to do.

A victory for the government would, of course, benefit Mr Chirac, but Mr Mitterrand could be credited with having made it possible. A defeat would condemn Mr Chirac's chances, but we are not sure that it would make Mr Mitterrand's task any easier since he would be accused of not having interfered with Chirac, even of having provoked him. The paradox of the current situation requires that the two possible rivals in 1988 today join hands in friendship in the face of public opinion.

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POLITICAL

GREECE

KKE SUCCESSION: POSSIBLE RISE OF YOUNGER GENERATION

Athens TO VIMA in Greek 1 Jun 86 pp 4, 6

/Article by I.K. Pretenderis/

/Text/ Kharilaos Florakis, 72 years old, KKE secretary since 1972. Head of the oldest Greek political party for 14 years. A party that from 1931 --in a period of 55 years-- has had only three secretaries general, namely Nikos Zakhariadis, Kostas Koligiannis and Kharilaos Florakis.

Kh. Florakis may be the oldest active political leader (of an existing party) in Greece --following the withdrawal of Mr Ev. Averof from the leadership of ND-- but he does not show the weight of his 72 years with any special difficulty.

Nevertheless, the KKE is moving along toward its twelfth congress. The congress theoretically should have convened in 1986 but it seems difficult if it can be convened before the spring of 1987. On the other hand, Mr Florakis is reported to have said from time to time that he did not intend being secretary general forever.

However, the question that is being raised is in case the present KKE secretary withdraws, who could succeed him.

In principle, the possible successor to Mr Florakis should be sought in the party's leadership group, namely among the members of the Central Committee's Political Bureau. Surprises are not to be ruled out but in communist parties this is not the custom. It should, nevertheless, be pointed out that if Mr Florakis were to withdraw it will be the very first time that the promotion of a KKE leader would take place in normal conditions.

The present KKE leadership group is made up of eight regular and six alternate members of the Political Bureau. The eight regular members are: Messrs Kh. Florakis, N. Kaloudis, Grig. Farakos, K. Tsolakis, Dim. Gondikas, A. Ambatielos and Mrs L. Logara and Mrs R. Koukoulou. The alternate members are: Messrs T. Mamatsis, O. Kolozof, M. Androulakis, Sp. Khalvatzis, M. Kostopoulos and Mrs Aleka Paparriga. The difference between regular and alternate members is mainly that the latter do not vote in case there should be need for a vote to be taken.

The unusual thing (and this factor may play a determining role in the succession to Mr Florakis when it does take place) is the age bracket and specifically the lack of

cadres between 45 and 60 years of age. Thus, there is the generation the war resistance and the civil war (Kh. Florakis, K. Kaloudis, K. Tsolakis, Gr. Farakos, L. Logara, R. Koukoulou, A. Ambatielos and T. Mamatsis) who are close to or over 60 years of age. On the other hand, all the others are under 45 and often under 40 years of age (D. Gondikas, O. Kolozof, M. Androulakis, Sp. Khalvatzis, M. Kostopoulos and Aleka Paparriga).

The former group joined the KKE during the war resistance and lived through the period of the civil war, exile and expatriation of the "cold war."

As a rule, the members of the latter group joined the party during the period of the dictatorship --and after the split with the KKE (Int.)-- they took an active part in the anti-dictatorship fight and they distinguished themselves as guiding organs of the party and the KNE /Greek Communist Youth/ after Mr Florakis assumed office. It is not at all by chance that the four alternate members of the Political Bureau (M. Androulakis, M. Kostopoulos, Sp. Khalvatzis and Aleka Paparriga) were elected alternate or regular members of the Central Committee for the first time at the 10th KKE Congress in 1978.

This lack of a "middle age bracket" confronts Mr Florakis' succession with yet another dilemma.

If, on the one hand, one of the "younger ones" is to succeed him, then it is clear that the problem of the KKE leadership "is solved" for a long period of time.

On the other hand, a "transitional period" could be ensured if the helm were to be assumed by one of the older ones who would after a period of time hand it over. In this latter case, an almost "natural" successor to Mr Florakis would be Mr Gr. Farakos.

Mr Farakos, 59 years of age, has become widely known as the "KKE hardliner" and at times is reported to exercise "an opposition from the Left" to the official KKE line embodied by Mr Florakis. In this general picture --regardless to what extent it corresponds to reality-- there are other various "pieces of evidence" for his intraparty policy prior to the legalization of the KKE as well as over "his Zakhariadist past" (a past, nevertheless, that seems to be quite common in all communist cadres of that era).

He became a member of the Central Committee in 1961 (at the 8th KKE Congress) and of the Political Bureau in 1968. He was elected deputy of Athens since 1974 and he assumed the management of RIZOSPASTIS after Mr T. Mamatsis.

On the other hand, in contrast to a more general "popular tone" that characterizes the KKE leadership under Mr Florakis, Mr Farakos is closer to the "intellectual" type. He is one of the very few high-ranking KKE cadres who has an advanced degree (he is an electrical engineer) and who has written quite a few books (on energy and on "scientific technical revolution"). In the Chamber of Deputies he regularly intervenes on economic and technical issues, while his appearance on television last autumn on the economic measures provided a picture of a calm political official rather than a "hardliner." Many contend that if the KKE wanted to moderate its "populist tone" that has characterized it since 1974, Mr Farakos would be a good choice.

Mr Farakos has succeeded in reviving RIZOSPASTIS since the time he assumed its management. A "strict" Mr Farakos at last manages a newspaper with para-political columns, many (and good) cartoons and (sometimes) a lot of humor.

One may also note that in the last 2-3 years there have been few articles by Mr Farakos with his well-known "leaden tongue" in which he used to "stress" some kind of "special nuances" in the policy of his party. In the 1984 Euro-elections, he was put at the head of the party's Euro-ballot, something that indicates --if nothing else-- a political cadre of a more general acceptance.

After Mr Farakos there are the "younger ones." Among them is one with an ideal biographic record of a future KKE secretary.

Mr D. Gondikas, 38 years of age, is an electrician, something that must classify him, if not the proletarian at least on its fringes. He was elected to the Central Committee at the 9th KKE Congress in 1973. At the 10th KKE Congress (at the age of 29) he was elected to the Political Bureau. From the time of the dictatorship he was already KNE secretary, a position he left to become secretary of the biggest party organization, i.e. the Athens party organization, a position he still occupies today.

He is one of the five members of the KKE group that has some parliamentary experience since he had been elected deputy twice (in 1974 and 1977) and was for 4 years on a parliamentary bench (not with great devotion, in truth, because of "party business") until he quit as deputy in 1978.

With all of this in mind and if one were to consider that the new KKE secretary were to be chosen here and now, it is clear that Mr Gondikas would have the evident precedence as to the "typical attributes." With regard to communist parties also, when the change in leadership takes place in normal conditions of legality, the "typical attributes" often constitute an indispensable factor for the required acquiescence around the person of the new secretary.

Of course, Mr Gondikas is not especially considered as a "mass element" (if we were to employ "party dialectics") and is described as rather "colorless." However, neither was Mr Florakis ever considered as being a ringleader although he "discovered" a leadership style in his 65th year and, indeed, a "style" that was proven to be especially effective in making the Greek people familiar with the KKE. It is, however, a fact that the party organization that Mr Gondikas presides over --the KOA /Athens Party Organization/-- showed diminishing electoral results in the last two elections (Euro-elections of 1984 and parliamentary elections of 1985) and this is not to his favor. On the other hand, it is uncertain to what extent Mr Gondikas can personify that "new personality" that the KKE appears to seek.

That "new KKE personality" may possibly be embodied by Mr Mimis Androulakis who is 35 years old. Among the most important cadres of the anti-dictatorship struggle and member of the Polytechnic School Coordinating Committee, Mr Androulakis joined the KNE and the KKE in 1971. In 1974, he entered the KNE Central Council and at the 10th KKE Congress --in 1978-- he was elected alternate member of the KKE Central Committee, while at the 11th KKE Congress --in 1981-- he was elected regular member of that body. About 20 days ago, he became an alternate member of the Political Bureau.

Mr Androulakis is one of the most prolific writers of the KKE leadership group. In 1978, he wrote "Contemporary Problems of State and Revolution" and in 1983 "Socialist Self-Management: Problems of Bureaucracy" (a book that has been considered as being very "advanced" in these matters for a KKE cadre). In 1985, he came out with his book "The Soviet Union in the Year 2000." After the 1985 elections, in a much discussed article of his in RIZOSPASTIS, he asked that the KKE open up to the "social Left" and pointed out that the "matrix of the EAM /National Liberation Front/ Resistance is exhausting its forces to maintain the influence of our party in the years to come."

Recently, speaking to civil servants of his party, he pointed out that the KKE, besides being a "party of battle and radical opposition," must also be "a party of authority within the context of a coalition of power of leftist forces."

It is clear that the search for "a new person" for the KKE requires still more "intra-party maturity." As is also well-known, Mr Androulakis has not yet completed even a month on the Political Bureau and he has not served in any leading guidance position (as member of the Central Committee he had responsibility for the party's press office).

Together with K. Androulakis, Mr M. Kostopoulos has made his appearance on the KKE Political Bureau. He was secretary of the GSEE /Greek General Confederation of Labor/ administration from 1983 until last autumn and has been a member of the KKE trade union faction office since 1977. Mr Kostopoulos, 44 years of age, revealed unquestionable qualifications in his handling of last autumn's "trade union crisis" and was one of those setting up "the front of 26" (KKE-KKE (Int.)-and those purged from PASOK) in the trade union movement. With the same versatility he had implemented from 1983 to 1985 the so-called "moratorium" with PASOK, although he never "cut his bridges" with PASKE /Panhellenic Militant Workers Trade Union Movement/. He has thus established himself as an upcoming KKE personality in the trade union sector, the only thing being that almost never has a trade unionist assumed the supreme leadership position in a communist party, at least in West Europe (neither a Camatso in Spain, Lama in Italy, nor Frachon or Seguy in France).

In the final analysis, of the KKE leadership group's younger cadres only Mr D. Gondikas seems at present to have a "party profile" that Mr Florakis' successor requires. Thus, if there were to be a succession issue in the near future it is understandable that the KKE would perhaps hesitate in moving toward making a choice that would constrain it for several decades without at the same time having sufficient "samples of leadership qualities" from the rest of the cadres belonging to the younger generation.

From this standpoint, the Farakos choice might develop into a solution that would satisfy quite a few people, at least for a certain period of time.

The certain thing is that Mr Florakis would have some say (indeed, an important one) in the selection of a new secretary.



The certain thing also is that the CPSU has always had a determining role in the KKE's leadership changes. It is, nevertheless, difficult for one to estimate how "its preference" would be expressed this time and it is understandable that more than ever before the CPSU must take into consideration the factors that in principle are taking place within the KKE itself. It should be pointed out that taking part in the recent CPSU congress --that was a marvelous opportunity for one to get to know the new "Gorbachev leadership"-- were Mr D. Gondikas (as a member of the official delegation headed by Mr Florakis) and Mr M. Androulakis who, in fact, gave "glimpses of the congress" through his articles published in RIZOSPASTIS and through press interviews. On the other hand, Mr Gr. Farakos was not included in the delegation.

The sure thing is that with the last four "promotions" to the Political Bureau, it is certain that the KKE is undertaking a renewal of its leadership group. And this renewal --according to all indications-- will continue at the 12th KKE Congress since it is being said that Mr A. Ambatielos and Mrs R. Koukoulou and Mrs L. Logara will withdraw from that body.

What is not certain is whether Mr Florakis will let go of the reins of power. And there are quite a few people who maintain that the present KKE secretary general is reserving for us still more of his popular proverbs.

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CSO: 3521/167

~~POLITICAL~~

~~ICELAND~~

POLL SHOWS GAINS FOR INDEPENDENCE PARTY, LOSSES FOR LEFT

Reykjavik MORGUNBLADID in Icelandic 13 May 86 pp 38,40

[Article: "University of Iceland Social Sciences Institute Conducted for MORGUNBLADID: The People's Alliance, the Progressive Party and the Social Democratic Alliance Lose Support"]

[Text] According to a poll conducted by the Institute of Social Sciences of the University of Iceland for MORGUNBLADID, the People's Alliance, the Progressive Party and the Social Democratic Alliance would lose support compared with the last parliamentary elections if elections were to be held now. The Social Democratic Party, the Independence Party and the Women's List would, however, gain support.

The Independence Party would receive 39.8 percent of the votes, but received 38.7 percent of the votes in the 1983 parliamentary elections. The People's Alliance would receive 15.9 percent now, but received 17.3 percent; the Progressive Party would receive 15.4 percent now, but received 11.7 percent; the Women's List would receive 9 percent now, but received 5.5 percent; the Social Democratic Alliance would receive 3.7 percent now, but received 7.3 percent; the Humanist Party would receive 0.7 percent but that party did not have a candidate in the 1983 elections.

The Institute of Social Sciences poll was conducted during the period 26 April to 5 May of this year. The sample consisted of 1,500 people, 18 years of age and older nationwide, who were contacted by telephone. Responses were received from 1,116 people. The result was that 0.4 percent intended to vote for other parties than mentioned above; 6.3 percent said that they did not intend to vote at all; 4.7 percent intended to turn in a blank ballot or invalidate their ballot; 8.6 percent refused to answer and 6.6 percent were undecided.

In a poll that Hagvangur conducted for MORGUNBLADID in March 1986, the Independence Party received 38.8 percent; the People's Alliance 18.6 percent; the Progressive Party 15.7 percent; the Social Democratic Party 11.9 percent; the Women's Alliance 8.9 percent; the Social Democratic Alliance 5.3 percent and the Humanist Party 0.8 percent.

POLL CONDUCTED BY THE UNIVERSITY OF ICELAND INSTITUTE OF SOCIAL SCIENCES:

POLITICAL PARTY SUPPORT IN PARLIAMENTARY ELECTIONS

In a study on national affairs conducted by the Institute of Social Sciences of the University of Iceland during the period April 26 to May 5 this year, all the people polled were asked three questions about what party they would vote for if the elections were held tomorrow. The first question asked was: "If the parliamentary elections were to be held tomorrow, what party or list would you vote for?" Those who answered "don't know" to this question were asked further: "But what party or list are you most likely to vote for?" If the people still said "don't know," they were asked: "But what is more likely that you would vote for the Independence Party or some other party or list?" The conclusions follow:

Table 1. Question 1: What party or list will you vote for?

	Number	All	Vote For Party
Social Democratic Party	81	7.3%	13.2%
Progressive Party	90	8.1%	14.7%
Independence Party	275	24.6%	44.9%
People's Alliance	94	8.4%	15.4%
Social Democratic Alliance	23	2.1%	3.8%
Women's List	45	4.0%	7.4%
Humanist Party	4	0.4%	0.7%
Others	1	0.1%	
Will not vote	67	6.0%	
Blank/void	43	3.9%	
Refuse to answer	80	7.2%	
Don't know	313	28.0%	
TOTAL	1,116	100.0%	100.0%

Table 2: If "don't know" in question 1: Which party are you most likely to vote for?

	Number	All	Vote For Party
Social Democratic Party	109	9.8%	14.8%
Progressive Party	108	9.7%	14.7%
Independence Party	311	27.9%	42.3%
People's Alliance	112	10.0%	15.2%
Social Democratic Alliance	26	2.3%	3.5%
Women's List	64	5.7%	8.7%
Humanist Party	5	0.4%	0.7%
Other	4	0.4%	
Will not vote	70	6.3%	
Blank/void	53	4.7%	
Refuse to answer	92	8.2%	
Don't know	162	14.5%	
TOTAL	1,116	100.0%	100.0%

Table 3: Question 1 and 2 combined:

	Number	All	Vote for Party
Social Democratic Party	109	9.8%	14.8%
Progressive Party	108	9.7%	14.7%
Independence Party	311	27.9%	42.3%
People's Alliance	112	10.0%	15.2%
Social Democratic Alliance	26	2.3%	3.5%
Others	4	0.4%	
Will not vote	70	6.3%	
Blank/void	53	4.7%	
Refuse to answer	92	8.2%	
Don't know	162	14.5%	
Total	1,116	100.0%	100.0%

As was mentioned before, those who responded "don't know" to both questions about the parliamentary elections were asked whether they considered it likely that they would vote for the Independence Party or some other party. The conclusions are to be found in Table 4.



Table 4 If "Don't know" in question 1 and 2: Independence Party or other?

	Number	All	Vote for party
Probably Independence Party	15	9.3%	17.9%
Probably other parties	69	42.6%	82.1%
Refuse to answer	4	2.5%	
Don't know	74	45.7%	
Total	162	100.0%	100.0%

The table shows that the Independence Party seems to have less support among the undecided than other parties. Table 5 shows the support for the parties where this is taken into account. Those who say that it is more likely that they will vote for other party than the Independence Party are divided among other lists according to their ratio in Table 3.

Table 5: What party would people vote for in parliamentary elections? Combined answers to three questions:

	Number	All	Vote for party
Social Democratic Party	127	11.4%	15.5%
Progressive Party	126	11.3%	15.4%
Independence Party	326	29.2%	39.8%
People's Alliance	130	11.6%	15.9%
Social Democratic Alliance	30	2.7%	3.7%
Women's List	74	6.6%	9.0%
Humanist Party	6	0.5%	0.7%
Other	4	0.4%	
Will not vote	70	6.3%	
Blank/void	53	4.7%	
Refuse to answer	96	8.6%	
Don't know	74	6.6%	
Total	1,116	100.0%	100.0%

It is conceivable that the formulation of the 3rd question stimulates people to say that they intend to vote for other parties than the Independence Party; this way they avoid specifying any one party. Therefore it is interesting to observe what the voters who gave a definite answer say what party they voted for in the 1983 parliamentary elections.

Of those 15 who say that it is more likely that they would vote for the Independence Party now, seven voted for the party in 1983; two did not have the age to vote; two did not vote; one refused to answer and three did not remember what party they voted for last time.

Of the 69 people who consider it more likely that they would vote for some other party than the Independence Party now, nine voted for the party in 1983; five voted for the Social Democratic Party; nine voted for the Progressive Party; five voted for the People's Alliance; one voted for the Social Democratic Alliance; two voted for the Women's List; one voted other; six did not have the age to vote; five turned in a blank ballot; nine did not vote; nine refused to answer and eight did not remember what party they voted for last time.

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CSO:3626/33

POLITICAL

NORWAY

**LABOR PARTY GAINS IN POLL, CONSERVATIVES SUFFER SETBACK**

Oslo AFTENPOSTEN in Norwegian 24 May 86 p 3

[Text] The Labor Party has gained another 1.1 percent of the vote and has received a record-high support of 43.5 percent, while the Conservative Party has experienced a setback by 1.4 percent to 28.8 percent. These are the most pronounced results of the political poll taken by Norway's Market Data, Inc. (NMD) for the month of April. The interviews, however, were carried out during the period from 15 April to 10 May, thus partly before and partly after the government crisis. The poll thus does not indicate the reactions of the electorate to the change of government. As is well-known, in its first poll after the downfall of the Willoch government, Scan-Fact recorded increased support for the Conservative Party and the Liberal Party, an insignificant setback for the Labor Party and reduced support for all of the other parties.

The poll taken by NMD shows gains for the Labor Party, the Center Party, the Liberal Party and the Liberal People's Party. In addition to the Conservative Party, the Progressive Party, the Christian People's Party, the Communist Party and the Socialist Left Party experienced setbacks.

On Saturday, 7 June 1986, AFTENPOSTEN, for its part, will publish the first poll of Gallup/the Norwegian Opinion Institute following the change of government.

	(1) fylk- tings- valg		(2)		(3)		(4)		(5) Stor- tings- valg		(7)		(8)			
	Jan. 1985	Feb. 1985	Mar. 1985	Apr. 1985	May 1985	Jun. 1985	Aug. 1985	Sept. 1985	Sept. 1985	Oct. 1985	Nov. 1985	Des. 1985	Jan. 1986	Feb. 1986	Mar. 1986	Apr. 1986
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Soa. V-parti ..(9)	5,3	5,2	4,6	5,1	5,3	5,4	5,8	6,4	6,5	6,5	6,1	6,5	5,7	5,4	6,1	5,7
Arbeiderpartiet ..(10)	36,9	36,4	39,2	36,2	39,7	36,7	36,5	40,8	41,5	41,6	41,5	41,0	42,2	42,2	42,6	43,5
Sum .....	44,2	47,8	47,4	43,8	45,0	44,1	44,3	46,3	48,3	47,6	47,5	47,9	47,9	47,6	48,7	49,2
(11)																
Senterpartiet ..(12)	7,2	5,2	6,1	6,4	5,3	6,0	6,6	6,6	5,5	7,3	6,1	6,2	6,4	5,7	5,7	5,9
Kristelig Folkep..(13)	8,8	8,5	8,3	7,7	8,4	8,5	8,1	8,3	7,6	8,0	7,9	8,7	7,9	7,9	8,0	7,9
Høyre ..(14)	26,4	28,7	30,8	31,0	29,9	30,1	30,0	30,4	30,4	28,0	31,0	30,7	30,0	31,6	30,2	28,8
Fremskrittsp..(15)	6,3	6,9	5,5	5,8	4,9	5,3	5,4	3,7	4,0	4,8	3,6	3,9	3,5	3,1	3,5	3,3
Sum (11).....	48,7	49,3	50,7	50,9	48,5	49,9	50,1	49,0	47,5	48,1	48,6	49,5	47,8	48,3	47,3	45,9
(16)																
Venstre ..(16).....	4,4	3,7	3,6	3,5	4,5	3,7	3,5	3,1	3,2	2,6	2,2	1,6	2,5	2,5	2,5	2,8
Det Lib. Folkep..(17)	0,7	0,5	0,6	0,3	0,4	0,7	0,7	0,5	0,5	0,4	0,3	0,3	0,7	0,3	0,4	0,6
Red Valgalliansen ..(18)	1,2	1,1	0,8	1,2	0,7	1,0	0,9	0,6	0,6	0,2	0,5	0,8	0,5	0,7	0,4	0,4
Kommunistp..(19)	0,4	0,5	0,3	0,5	0,7	0,5	0,2	0,2	0,1	0,1	0,6	0,2	0,3	0,5	0,3	0,2
Andre ..(20).....	0,3	0,5	0,3	0,3	0,3	0,1	0,4	0,4	0,3	0,3	0,1	0,1	0,3	0,2	0,4	0,9
Total .....	99,9	100,0	100,0	100,0	100,0	100,0	100,1	100,1	100,1	100,0	99,9	100,0	100,0	100,1	100,1	100,0

Svar om partipref..(21)...	1048	1056	1056	1037	984	1024	1053	—	1030	1085	993	970	1098	1066	1075	1045
Antall intervjuer ialt (22)	1255	1278	1255	1262	1216	1263	1265	—	1218	1340	1191	1152	1283	1248	1266	1236

(23) Barometeret fremkommer ved utvalgskorreksjon i henhold til siste stortingsvalg. Berregnede statistiske feilmarginer kan være av en størrelsesorden på opptil 3 prosentenheter for stemmeandeler nær 50 pct., ca. 2 prosentenheter for andeler på 10–20 pct. og ned mot 1 prosentenheter for lavere stemmeandeler. Intervjuarbeidet er utført i perioden 15. april–10. mai 1986.

(24) NORGES MARKEDSDATA A/S



**Key:**

1. County elections September
2. March
3. May
4. June
5. County elections September
6. October
7. December
8. March
9. Socialist Left Party
10. Labor Party
11. Total
12. Center Party
13. Christian People's Party
14. Conservative Party
15. Progressive Party
16. Liberal Party
17. Liberal People's Party
18. Red Election Alliance
19. Communist Party
20. Others
21. Answers to questions of party preference
22. Total number of interviews
23. The poll was conducted by means of interviews concerning the last parliamentary election. Calculated statistical margins of error may be of a magnitude of up to 3 percentage units for voter shares close to 50 percent, approximately 2 percentage units for shares of 10-20 percent and down to 1 percentage unit for lower voter shares. The interviews were carried out during the period 15 April-10 May 1986.
24. Norway's Market Data, Inc.

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CS0: 3639/118

POLITICAL

NORWAY

# EINAR FORDE ON PROBLEMS AHEAD AS LABOR'S STORTING WHIP

Oslo AFTENPOSTEN in Norwegian 30 May 86 p 3

[Article by Morten Malmo: "Forde in Foul Waters"; first paragraph is AFTENPOSTEN introduction]

[Text] Einar Forde will steer the government ship around treacherous rocks in foul political waters. As the Labor Party's new parliamentary leader he will do the horse trading and compromising in the corridors and meeting rooms of the Storting. If the Labor Party government falls, Forde sees a nonsocialist three-party government as the only real alternative. The big element of tension in Norwegian politics today, according to Forde, is what is happening in the political center. "The fall of the Willoch government has a seed of something historic in it," said Forde.

Einar Forde came into the Storting in 1969. Now, 17 years later he is the Labor Party's new parliamentary leader since the fall of the Willoch government. He has been the vice-chairman of the of the Labor Party since 1981, and was minister of church and education 1979-1981. He has a reputation as a lively but often sarcastic debater. Yes, there are those who claim that he is also arrogant. He is one of the Labor Party's thinkers, one of their strategists, but he is not a moody sobersides. The happy smile and good stories show that he has a surplus to ladle out every day at Lovbakken. Now he will guide the government ship through the rocks and political minefields.

## The First Test

Einar Forde's first big task will be to get the proposal for a revised national budget, which is being presented today, through the Storting. How does he see himself in this new situation?

"So far in my political life I have had my share of conflict and compromise. One must adapt himself to the roles. Every politician has a different style in the opposition than when his party is in the government position. That is how it must be," answered Forde, and continued:

"We know very well that the Labor Party must be supported by one or more nonsocialist parties in order to get its proposals approved. That requires willingness to make compromises. We must have the channels open, and be

readily accessible. The process we will adopt will be to return to the committee room and corridor politics. It suits me well. It is a politically professional job which will be done, and I am not at all worried, even though it will be sailing in difficult waters."

#### A Seed of Something

The Labor Party's parliamentary leader does not hide the fact that the Center Party and the Christian People's Party are close to the Labor Party on many issues. He is also holding the door open to the Conservatives, and remembers that the Labor Party and the Conservative Party stood together in earlier times on important issues.

o Is it a part of your strategy now to change the political landscape and establish new patterns of cooperation?

"There is a seed of something historic in the fall of the Willoch government. The big element of tension in Norwegian politics today is this: What is happening in the political center? The Storting groups of the Center and Christian People's Parties are not homogeneous."

#### Not Supporting Parties, But...

"The two parties have said that they will not be supporting parties. Nonetheless there are a number of issues on which there can be actual cooperation between the two parties and the Labor Party. The possibility exists for spinning a thread which will bring this actual cooperation into being. I have no illusions, however, about creating a new 'crisis settlement' or that there will be any quickly-built cooperation with the Center Party now for example," said Forde.

In today's situation he sees no threat from SV [Socialist Left Party]. Forde pointed out that the Labor Party these days is largely on speaking terms with SV, and that these two parties have coinciding viewpoints to a greater extent than before. SV can be a watchdog to warn when compromises go too far.

#### No Reefs

Today Einar Forde sees no reefs which could cause the government ship to go aground. The biggest problem is to assemble a majority for unpopular measures. He does not regard economic policy as a difficult area. He takes criticism of a lacking social profile calmly, because the Center and Christian People's Parties are closer on tax policy to the Labor Party than to the Conservative Party. Forde also pointed out that the present government will have an easier time creating a consensus on security policy questions than the Willoch government.

o Where are the boundaries for the Labor Party in relation to the party program when compromises are to be made?

"There is broad recognition in the party and in LO [Federation of Trade Unions] that the Labor Party is in the minority. Nobody expects a revolution,

but neither does anybody expect the government to commit suicide. The government has a broad mandate, but it is also clear that it cannot do whatever it wants."

Long Life?

o How long will the government remain in place? Will it remain until the 1989 election if it survives the autumn budget negotiations?

"It is clear that the budget work in the fall will be a test. It will be a test of whether the Conservative, Christian People's and Center Parties can cooperate. It will be exciting to see if they show a desire for power, and have solved their complicated relationship with the Progressive Party. If that does not happen then the Labor Party can continue to govern, but how long, nobody knows."

o What kind of a government will we get if the government falls in the autumn?

"I believe that a three-party government such as we had is the only real alternative to a Labor Party government, if things go that way," answered Einar Forde.

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POLITICAL

PORTUGAL

POLL SHOWS GAMA, CONSTANCIO TIED FOR PS LEADERSHIP

Lisbon O JORNAL in Portuguese 16-22 May 86 p 9

[Article by H.M.]

[Text] A poll taken by Norma among 300 individuals in the Greater Lisbon area after the Gama and Constancio interviews on RTP showed that both candidates for leadership of the PS are regarded as qualified to succeed Mario Soares.

According to the poll, which was ordered by the group sponsoring Gama's candidacy, and to which O JORNAL had first access, 33 percent of the television audience watched the debate. This is regarded as above average, since political programs usually win audiences of less than 30 percent.

Whom do you regard as best suited to succeed Mario Soares?

	Total	Men	Women
Jaime Gama	45	37	52
Vitor Constancio	45	50	40
Undecided	10	13	8

Among those interviewed, Vitor Constancio was the clear winner, with 33 percent impressed by his conduct on "Actual," 44 percent regarding his responses as reasonable and 3 percent regarding them as bad. It should be noted that the interviewees were chosen without regard for party affiliation.

Gama won the approval of 46 percent of those interviewed for his conduct on television, with 42 percent terming it reasonable and 12 percent bad.

On another question, as to which of the two individuals interviewed had the greater domestic and international prestige, the advantage went to Gama. In fact, the former minister of foreign affairs was seen as having greater domestic prestige by 48 percent of those interviewed, while only 41 percent gave primacy to Vitor Constancio and 11 percent did not respond.

Internationally, Jaime Gama is viewed as having the greater prestige by 56 percent of those interviewed, while 29 percent voted for Constancio.

The last question was "Following the interviews on the program 'Actual,' which do you regard as better qualified to succeed Dr Mario Soares as the head of the PS?" In the answers, the two men were tied, despite the inferior position of Gama during the interviews. Both Gama and Constancio are regarded as "better qualified" by precisely the same number of those surveyed--45 percent--while the other 10 percent said they did not know.

#### Technical Data

The survey covered adults 18 years of age or older living in homes with telephones in the Greater Lisbon area.

The sampling included 300 individuals selected at random from the telephone book. During the processing of the data, they were balanced as to sex and age.

The technique used was the telephone interview.

The field work on the interviews was carried out on 7 May 1986.

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CS0:3542/111

MILITARY

DENMARK

FORCES' CHIEF: NATO MAKES DENMARK LESS VULNERABLE THAN SWEDEN

Copenhagen BERLINGSKE TIDENDE in Danish 5 Jun 86 p 8

[Article by Nils Eric Boesgaard: "DEFENSE COMMAND: NATO KEEPS SOVIETS AWAY"]

[Text] We are sufficiently strong in the Baltic. The Soviets stay away from Denmark on account of our NATO membership, whereas Swedish territory is being constantly violated, says the Defense Command.

"Sweden experiences the threat from the East more strongly than we apparently do. Whereas the Swedes for years have ascertained scores of violations of their territory, since 1981 we have in this country only had seven Warsaw Pact aircraft within Danish air space and no verified violations of our territorial waters," says information officer of the Defense Command, Lieutenant-Colonel O.L. Kandborg.

"It is probably due to the difference in alliance-affiliation. Sweden is entirely alone, whereas we are part of a strong Western defense alliance, NATO."

The Swedish Defense Chief Lennart Ljung states that special anti-spetsnaz units will be set up, that the air defense of Gotland will become stronger, and that the surveillance of submarines will become intensified. The Soviet spetsnaz forces are specially intended for employment in the grey phase prior to an actual outbreak of war. They are to carry through sabotage against military and social installations and to murder people occupying socially important posts.

There are no Danish plans to launch a corresponding reinforcement of Bornholm.

"We do not find any direct similarity between the situation of Bornholm and Gotland," says Lieutenant-Colonel Kandborg. "We find the forces we have on the island adequate. We believe that they will be more reluctant to violate a NATO country than they will be toward Sweden."

The Defense Command finds it interesting that the Swedes take such strong action in view of the existing threat.

"The reason why we do not intend to follow the example of Sweden is, among other things, that, with our Home Guard, we already are in a better situation

as far as efforts against enemy troops of the spetsnaz type are concerned. We have a highly developed surveillance preparedness.

The Swedish Defense Chief, moreover, states that 5,000 uniforms have been stolen which they suspect will be used by the spetsnaz troops.

"We are not familiar with similar thefts from Danish depots," says Lieutenant-Colonel Kandborg. "We know that East-German troops have used Danish uniforms in certain maneuvers, but we do not know where they have got them."

"The reason why we do not find any need for intensified efforts similar to those on the part of the Swedes is that we actually find that we are quite in control of the present situation. It is true that the Swedes have good reasons for what they are doing, but those reasons do not at present apply to the Danish defense situation."

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MILITARY

DENMARK

#### DEFENSE COMMISSION APPROVES IMPROVEMENTS FOR ARMY

Copenhagen BERLINGSKE TIDENDE in Danish 15 May 86 p 12

[Article by Nils Eric Boesgaard: "Army Gets to Work in Peace"]

[Text] The 11-man committee has agreed on the army's personnel structure. Defense Minister Hans Engell can now authorize the Armed Forces Command to begin improvements for a reorganization of the forces in Jutland and Funen.

After a tug-of-war lasting several years, political agreement has finally been reached regarding the army's personnel structure in peace time. The 11-man committee, which is comprised of representatives of the political parties behind the armed forces compromise, yesterday agreed regarding the guidelines, the so-called peace structure. This means that the Armed Forces Command can now begin implementing plans which are to strengthen the armed forces, let the army work in peace, and provide greater job security for its employees.

"We can now put an end to a long time of uncertainty," Defense Minister Hans Engell says to BERLINGSKE TIDENDE. "And at the same time a clear course has been provided for planning of the future deployment of military units in the Western Provinces Command's area, i.e., in Jutland and on Funen."

"Some of what has to a special degree been unsatisfactory for the army's personnel is partly that the politicians were not able to agree regarding the peacetime structure, and partly that it was not possible to achieve order in the garrisoning plans in Jutland and on Funen," the defense minister adds. That is, regular personnel did not know whether they should sell or buy houses, where they should send their children to school, or whether their wives could keep their jobs, with all that this implied with respect to family insecurity.

It is expected that the plans will result in the moving of a number of units and the dismantling of a number of barracks.

According to the Defense Minister's Annual Report, in 1987 the army is to constitute regular personnel numbering 14,785 professional soldiers and a draftee force of 8585 men.

"The agreement which we have now reached regarding the peacetime force means that calm has been created regarding the army for a number of years to come. The new army structure is totally in accordance with the current armed forces compromise. It stresses the importance of maintaining effort preparedness which can protect the country until the mobilization force is in position and in order. It ensures also that training can be carried out at as low a cost as possible. The agreement specifies the principle of 12 months of compulsory service for combat troops and 9 months for the other service branches, and also emphasizes that a shorter term of service can be the outcome of an analysis concerning the utilization of draftees."

"One of the changes, compared with the present, is that enlisted privates in the combat troops and artillery will be called up for two-to-three-year contracts as far as the rank and file are concerned, versus five years previously," Defense Minister Engell concludes.

8831

CSO: 3613/135

MILITARY

FINLAND

SUBMARINE SIGHTING REPORTS INVESTIGATED BY COAST GUARD

Helsinki HELSINGIN SANOMAT in Finnish 15 Jun 86 p 6

[Text] The Gulf of Finland Coast Guard Division is investigating submarine sightings made 2 weeks ago in the sea near Kruunvuori. Armed Forces authorities were not able to confirm a sighting made by two people of a submarine moving on the surface.

The Coast Guard had received report on 2 June of "a strange appearance" out off Katanjanka the previous night. According to Captain Heikka Koistinen, until now nothing has been found which would indicate a submarine. At the time of the supposed sighting there were three Swedish Navy vessels visiting in Katanjanka.

According to experts it would not be possible for a ship to move submerged in the sea area around Kruunvuori, as a submarine needs at least 30 meters of water over it. A submarine would be considered too ungainly to carry out intelligence missions.

Ever since the long submarine search period started in Sweden there have been reports periodically of Finnish sightings, most recently in January, 1985 in the waters of Helsinki.

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CSO: 3617/129

MILITARY

FRANCE

#### DEPLOYMENT OF NEW FLOATING BRIDGE REPORTED

Paris TAM in French Apr 86 p 31

[Article by Robert Yvon: "The Ultimate in Crossing"]

[Text] Presented for the first time to civilian and military authorities on the Rhine near Strasbourg, the motorized floating bridge (PFM) has made a strong impression. Its main advantages are reliability and speed. It will become standard equipment for army engineers regiments beginning in 1990.

The PFM is designed to replace the American logistic bridges (M4 T6 and US60) that have been used in France for more than 20 years.

The PFM offers a considerable time and manpower advantage: six hours and 250 men were necessary to install a 100-meter US60 bridge. A PFM of the same length can now be launched in one hour by 60 men. The speed of its installation, even at unprepared sites, makes it particularly high-performance equipment in tactical and logistic terms.

The bridge consists of a floating beam composed of modules locked to each other. At each end, the beam receives an access ramp whose position and slope is adapted to the type of shoreline encountered. The bridge can be anchored to the shore with cables, or withstand currents by means of its outboard engines or auxiliary motor boats.

All the modules are identical; they are designed to receive access ramps, making it possible to assemble them in any order. At their ends, automatic prelocking and mechanical locking devices assure rapid assembly, night or day, in calm or troubled waters.

The modules (10 meters long) and the ramps are transported on a semitrailer to the river. They are assembled in the water. As an example of their performance, 60 modules and their corresponding ramps represent 600 meters of PFM and allow the construction of two continuous bridges on the Rhine!



## Good Future

The First Engineers Regiment (RG), stationed at Illikirch-Graffenstaden, currently has the only PFM company. This presentation at the Fort Hoche School for Bridges confirmed the reliability of the PFM, capable of supporting the crossing of AMX 30 tanks, or of being used as a raft for discontinuous crossings.

In 1990, the First RG should have 600 meters of bridge, as will the other army engineers regiments several years later. The bridge, designed and built by Constructions Navales et Industrielles de la Mediterranee, also appears to interest other countries. A good future on the horizon!

## PFM Characteristics

The PFM is composed of four major assemblies: a module, a ramp, a trailer, and a tractor.

The bridge module has a useful length of 10 meters and a weight of about 11 tons. Several modules (minimum of three) are assembled to form a raft or a bridge. Each module is equipped with two outboard propellers.

The access ramp has a length of 12 meters and weighs about 7 tons. It allows adaptation to shorelines and vehicle access to the bridge or raft.

The semitrailer weighs about 7 tons. It transports, places into the water, and retrieves the module or ramp which it transports.

The 250 HP tractor weighs about 10 tons and provides road mobility.

A 100-meter bridge requires nine module assemblies and two ramp assemblies.

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CSO: 3519/172

MILITARY

NORWAY

POLL SHOWS INCREASED SUPPORT FOR ARMED NATIONAL DEFENSE

Oslo AFTENPOSTEN in Norwegian 30 May 86 p 10

[Article: "Increased Nonsocialist Support for Defense"; first paragraph is AFTENPOSTEN introduction]

[Text] An opinion poll taken for People and Defense shows continued strong support for the idea of defense. In all 83 percent replied that defense is necessary today. That is only one percent less than the result in a corresponding poll which was taken one year ago.

The affiliation within the political parties, however, is changing somewhat. People connected with the Conservative Party, Christian People's Party and the Center Party increased with four, three and nine percent respectively in a positive attitude toward defense. On the other hand the Labor Party showed a decline of three percent among those who support the defense, while the Socialist Left Party reduced their support by 12 percent.

A review of the counties shows that support is greatest in More og Romsdal and Trondelag Counties, namely 92 percent. Nordland, Troms and Finnmark are lower with 72 percent, while Oslo has 88 percent supporters of a Norwegian defense. The other counties are between 80 and 85 percent.

Support among men is 87 percent, while support among women is 80 percent.

There are seven percent who say no to having a defense of Norway. That is an increase of two percent since last year. Three percent say they are unsure, and seven percent belong to the "don't know" group.

9287

CSO:3639/121

MILITARY

NORWAY

## DEFENSE MINISTRY ORDERS NAVY TO BUY DOMESTIC MINESWEEPERS

Oslo AFTENPOSTEN in Norwegian 28 May 86 p 18

[Article by Liv Hegna: "Political Order to Defense: Buy Navy Ships in Norway"; first paragraph is AFTENPOSTEN introduction]

[Text] The Navy's desire to purchase foreign mincraft is overruled by the Ministry of Defense. In a letter to the military leadership the ministry wrote that the purchase of any type of foreign warship would not be approved. At the same time the Navy Supply Command was ordered to begin advance planning for a mine countermeasures ship, and the ministry assumes that the final contract will be signed with a Norwegian shipyard. Before the beginning of June the supply command will receive bids from Norwegian industry.

Director Kare Rygg Johnsen in the marine technology consulting firm Veritec would not talk to AFTENPOSTEN because the firm is in what he called the bidding phase. Rear Admiral Jan Ingebrigtsen of the Norwegian Defense Suppliers of the Association of Industries maintained, however, that Norwegian shipyards both can and will take on the task of building mincraft, and that several larger firms are cooperating on the project, including Kongsberg Vapen Fabrikk and Simrad. Ingebrigtsen said that the Naval Supply Command has lost many qualified naval officers and engineers to civilian business. They are still available in the country. It is only reasonable that the planning work take place in private hands, said Rear Admiral Ingebrigtsen.

### Personnel Shortage

In a speech at the Oslo Military Association in November of last year the commander of the Naval Supply Command, Rear Admiral Egil Halvorsen said that his greatest concern was the personnel situation in the supply command. He maintained that the supply command had an acute need for nearly 60 highly qualified staff members.

Commander Ole K. Thomesen of the supply command told AFTENPOSTEN that the capacity of the command is limited by many other and larger tasks than mine countermeasures ships. Thomesen maintained that they are working internally to make the command as effective as possible. To the question of whether the supply command should not have begun to think about mincraft modernization

long ago, Thomesen replied that there had not been money for the project before.

AFTENPOSTEN has learned that the future plans for the Chief of Defense for the period 1987-1991 include procurement of a certain number of mincraft.

Today we have one mine detection ship, a converted minesweeper of the Sauda class. In addition we have nine minesweepers. AFTENPOSTEN understands that four of these were more or less condemned during the spring. At the same time the proposal to purchase four mine countermeasures ships from Netherlands came up. These were built as employment-sustaining measures in Netherlands. A pair of them were to be delivered to Egypt, which however had problems with the financing (each ship costs about 275 million). The Ministry of Defense has put a full stop on all further work toward purchasing these ships, but has left the door ajar for certain cooperation with Sweden and France, which are both considered to have a high degree of expertise in mine countermeasures ships. The entire mincraft project can cost nearly two billion kroner over the defense budget.

9287

CSO:3639/121



MILITARY

NORWAY

NAVAL OFFICER: MINESWEEPERS ARE 'SUICIDE' BOATS

Oslo AFTENPOSTEN in Norwegian 30 May 86 p 4

[Article by Liv Hegna: "Minecraft Inspector Ebbesen Says Minesweepers Are Suicide Boats"; first paragraph is AFTENPOSTEN introduction]

[Text] If there should be a war tomorrow the country is without the ability to rid the fairways of mines, since the probability would be great that the ancient minesweepers themselves would set off the laid mines. Norwegian mine countermeasures ships are barely suitable for exercise purposes. It would be suicide to send these ships out on a mission in wartime. It was the minecraft inspector of the Navy, Captain Einer Ebbesen, who told this to AFTENPOSTEN.

Captain Ebbesen said that it is of the greatest importance that the Navy maintain its competence in minesweeping, even though the vessels really should have been scrapped in 1985.

"If we cut out the minecraft we will not be able to find qualified personnel for the new vessels which must necessarily come along at some time or other," said Ebbesen.

He added that with a lot of effort he would be able to keep the last handful of boats alive for another 8-10 years so that the crews can get training in peacetime.

"But in wartime it would not be possible to use the minesweepers. The noise from the boats would set off the acoustic mines," he said.

It has already been decided that 2 of the 10 minecraft will be scrapped, and 3 others are prohibited from going out to sea farther than 4 nautical miles from land because the Navy does not consider them seaworthy enough.

To the question of why the minecraft inspector did not push the Navy leadership sooner to get new boats, Captain Ebbesen replied that they have been doing that since 1979, but without results.

The reason why the navy leadership did not react, according to Ebbesen, is that minecraft are necessarily expensive. He also said that the concept of clearing mines does not have a high priority in the Navy.

"During the war the German Navy expended 40 percent of its effort in mine countermeasures," he said as a comparison.

Captain Ebbesen added that mine warfare capabilities of the Soviet Union have grown significantly during recent years. It is not unreasonable to assume that Norwegian fairways and harbors will be closed by enemy mines in a possible future war. Without the possibility of sweeping the areas of mines we would be helpless with regard to receiving reinforcements and supplies from south Norway to north Norway.

This is considered a main task in case of war. Mostly it will be important to keep the sea lanes open to the north for allied material which is stored in south Norway and Trondelag.

9287

CSO:3639:121

MILITARY

SWEDEN

# SDP DEBATING STAND ON FIVE-YEAR DEFENSE PROGRAM

Stockholm DAGENS NYHETER in Swedish 4 Jun 86 p 8

[Article by Sven Svensson: "Homestretch for Defense"; first paragraph is DAGENS NYHETER introduction]

[Text] The homestretch is now beginning for defense funding for the five-year period 1987-92. SDP [Social Democratic Party] leadership will meet Thursday and Friday of next week in Helsingborg, and the size of the defense appropriation will be the main question at the meeting.

The SDP considers it important that the new Swedish warplane JAS-Gripen will be as Swedish as possible. Therefore there is strong interest in getting the manufacture of a Swedish air-to-air missile started. The cost of such a project has been roughly estimated at a couple of billion in the coming five-year period.

While a group of leading Social Democrats are unhappy about being too dependent on NATO for the manufacture of missiles, a phalanx within the party argues traditionally for Swedish disarmament.

The meeting of the party leadership is therefore considered important against the background of the violations of Swedish territory which have taken place during the past year. The party must mainly assemble around a defensive line which considers the confidence of foreigners in Swedish neutrality to be unmoved.

The three nonsocialist parties have already formulated their recommendations for new defense appropriations. The outline for 1986-1987 goes up to 24 billion and the Conservatives will have an increase of 2 percent per year. In the five-year period that means an increase of one billion.

The Center Party will increase defense appropriations by 1.2 percent, which means a total increase of 800 million for the entire period. The Liberal Party recommends an increase of 600 million for the five-year period which is to be divided equally for each year.

## OB Examination

OB [Supreme Commander of the Swedish Armed Forces] Lennart Ljung will publish after midsummer the examination which he has made of the parties' defense recommendations. The Defense Committee in office has already received the secret agenda of the conclusions of the OB's program plan.

Several opposition parties have demanded more submarines and an extra fighter division to reinforce Swedish defenses. The OB's review shows that the extra fighter division just fits into the Conservatives' economic alternative, as would a new submarine. In the Center Party alternative there is not the extra fighter division, but on the other hand there is a new submarine. The Liberal Party alternative contains neither the aircraft division nor the submarine.

The Defense Committee will try to reach a political compromise which will strengthen confidence in the Swedish neutrality defense.

Since the OB has published his program for the five-year period the Defense Committee will seriously head down the homestretch. A first meeting will be held on 18-20 August and a second on 25-26 September. After that it is intended that the committee will assemble in Gavle on 16-17 November.

When SDP meets in Helsingborg the second important subject beside defense will be the so-called popular government committee.

9287

CSO:3650/231



ECONOMIC

CYPRUS

BRIEFS

DECREASING OVERSEAS REMITTANCES--A total of 220 million pounds was remitted to Cyprus in the past 10 years by Cypriots who worked or are temporarily employed abroad by Cypriot companies. According to data given by Finance Minister Mavrellis--in response to a question in the House of Representatives--the 1984 foreign exchange imported in Cyprus totalled 31 million pounds and it is estimated that the 1985 amount will be higher by 2 million pounds. In his answer Mavrellis stated that the number of Cypriots working abroad is continually decreasing and that in September 1985 it dropped to 9,000 from 14,000 in 1977. These persons are given special tax treatment as an incentive for remitting foreign exchange. Thus, for tax income purposes, an amount totalling 90 percent of the foreign exchange earned abroad by working in private enterprises and remitted to Cyprus, is exempted from taxation. A draft law, already introduced in the House of Representatives, provides for full tax exemption for such income. [Text] [Nicosia O AGON in Greek 15 May 86 p 3] 7520

GDR TRADE OFFICIAL'S VISIT--On the occasion of the Eleventh International (State) Cyprus Fair, Clauss Apel, the German Democratic Republic secretary general of the Foreign Trade Ministry, arrived in Cyprus yesterday accompanied by Carl Heinz Eisenbach, deputy secretary general of the same ministry. At noon, Apel met with Iakovos Aristeidou, director general of the Office for Planning and both men reviewed trade and economic relations between Cyprus and GDR, and examined ways for further broadening these relations. It was agreed that an in-depth study of these relations be made within 1987 by the Standing Mixed Intergovernmental Committee. Aristeidou and Apel are chairmen of the Cyprus and GDR sides of this committee. [Excerpt] [Nicosia KHARAVGI in Greek 23 May 86 p 16] 7520

TOURISM AGREEMENT WITH PRC--A tourist agreement was signed yesterday at the Foreign Ministry between Cyprus and the People's Republic of China. The agreement provides, in part, for development of tourist relations and tourist traffic between the two countries, exchange of journalists and experts, visits in

congresses, symposia and exhibits, and athletic activities, and the exchange of advertising material. Andreas Mavromikhalis, director general of the Foreign Ministry, signed the agreement on behalf of Cyprus. Ambassador Liu Piau signed on behalf of China. Present at the signing were A. Andronikou, director general of the Cyprus Tourism Organization, members of the Chinese embassy and other government officials. Mavromikhalis spoke on broadening the relations between the two countries and expressed the wish that the signed agreement will be used to best advantage so the two peoples who have a very ancient civilization may come to better know each other. [Excerpt] [Nicosia KHARAVGI in Greek 22 May 86 p 16] 7520

CSO: 3521/156

ECONOMIC

DENMARK

# CONSUMER CONFIDENCE DROP MAY SLOW GNP GROWTH

Copenhagen BERLINGSKE TIDENDE in Danish 5 Jun 86 Sect III p 6

[Article by Frank Dahlgaard]

[Text] Even if Prime Minister Poul Schluter may have retained his optimism, things begin to become difficult for the ordinary Dane.

The belief in the future is not what it used to be under the Four-Leaf-Clover government. That may actually be substantiated by means of dry figures.

The Department of Statistics carries through a so-called consumer expectations poll 3-4 times annually. On the basis of interviews of a representative section of the population, five questions are answered which, together, provide an idea of the consumer expectations at the time the poll was taken.

Changes in the said consumer expectations provide an idea of increases or decreases in the near future in the private consumption of the population. Such advance ideas are very valuable to the politicians in evaluating, for example, whether there is a need to limit the consumption by way of indirect tax packages.

To provide a total idea in terms of figures of consumer expectations, the Department of Statistics compiles a consumer expectations index which comprises answers to five questions asked of consumers. The trend of this consumer expectations index during the last 7 years is shown in the graph rendered in this article.

The five questions asked of consumers which constitute the basis for the index are as follows:

1. What is the economic situation of your family today compared to the situation prevailing 12 months ago?
2. What do you believe the economic situation of your family will be like in 12 months, compared to the situation today?

3. How do you find the economic situation prevailing in Denmark today compared to the situation prevailing 12 months ago?

4. What do you think the economic situation in Denmark will be like in 12 months compared to the situation today?

5. Do you find that it is at present advantageous to purchase major consumer goods, such as a television set, a washer or the like, or would it be better to wait?

In answering these questions, the families interviewed are given the opportunity to give their opinion/evaluation by crossing off various possibilities of answering.

### The Big Shift

The most recent consumer expectations poll was carried through by the Department of Statistics during the period 2-16 April with interviews of approximately 1,500 families throughout the country. The figures were published last week.

As will appear from the graph, the total evaluation of the consumers of the economic situation--as expressed in the consumer expectations index--has changed a great deal in a negative direction since the last poll in January.

For the first time in more than 3 years, the consumer expectations index is now under the zero line.

Before discussing in detail this most recent decline in consumer expectations, there may be reason to examine developments throughout the last 7 years.

When, in 1979, Denmark approached "the economic abyss," the confidence in the future among consumers declined to a historically record-low level. The years 1979-80 were marked by devaluations, increases in the interest rate, bankruptcies and foreclosures, a sharply increasing unemployment rate and very considerably declines in real wages.

The feeling of insecurity was very great during the early eighties, and the result was that people spent a smaller portion of their incomes than previously. They saved to safeguard themselves against bad times.

The consumer index dropped.

The declining consumption caused a decline in the import of consumer goods and thus relieved the pressure on the balance of payments.

When in the fall of 1982 Anker Jørgensen gave up, the confidence of the consumers in the future was still very negative.

But with the arrival of the Four-Leaf-Clover government, the big reversal of the trend occurred.



## Collective Agreements and Elections

When in the early spring of 1983 the parties in the labor market without difficulties concluded collective agreements involving modest wage increases, not only the trades and industries and the financial world regained their faith in the future.

The consumers also allowed themselves to be affected by Poul Schluter's optimism, and the consumer expectations index took a historical high upward jump from January to May of 1983.

The consumer expectations index reached its hitherto highest level in January of 1984 when the Four-Leaf-Clover government anew won the parliamentary election.

In April of last year the consumer expectations index dropped sharply under the impression of the strikes in the wake of the political intervention in the collective bargaining situation. When calm was restored in the labor market and the interest rate dropped anew, the consumer expectations index increased anew.

Irrespective of the most recent decline in the consumer expectations index, the graph clearly shows that the belief in the future among consumers has markedly shifted in conjunction with the change in the political system in 1982 and the new economic policy.

This is a fact with which Anker Jørgensen and Svend Auken hesitate to be confronted. For the higher consumer expectations index under the Four-Leaf-Clover government clearly shows that the economic recovery had been coupled with a social recovery. When ordinary consumers give expression to greater optimism this reflects a higher degree of security.

The Social Democratic Party prefers to refer to the optimism on the part of the government as being unfounded, despite the fact that the optimism is clearly shared by the population. The graph testifies to this.

Note that despite the most recent decline in the consumer expectations index, that index is still considerably higher than at any time in the eighties during the Social Democratic government.

## Consumption has Reached Its Peak

The big shift in the consumer expectations index after the change of government in 1982 naturally led to an upswing in the consumer index.

For the feeling of security was restored in hundreds of thousands of Danish homes, and concurrently with the increasing employment rate and the declining unemployment rate, the rate of consumption increased. And with the increase in the consumption, the import of consumer goods increased. When, at the same time, the investments of industry exploded, the import of machinery and equipment also increased drastically.

The result was a big balance of payments deficit.

The most recent decline in the consumer expectations index took place under the impression of two conditions:

The big tightening of indirect taxes referred to as "the Easter package," which neutralized the effects of the declining oil prices, and the risk of getting a Social Democratic, Socialist People's Party government after the next parliamentary election.

A study of the answers to the five question underlying the consumer expectations index will show that the declining optimism among consumers is especially due to people's evaluation of Denmark's situation (questions nos. 3 and 4). On the other hand, the decline is more restrained in conjunction with people's evaluation of their own family's economy and its prospects.

Altogether, the consumer expectations index, however, points in the direction of a smaller rate of increase in the consumption in the coming months. That in itself will check the growth in the rate of import and thus relieve the balance of payments.

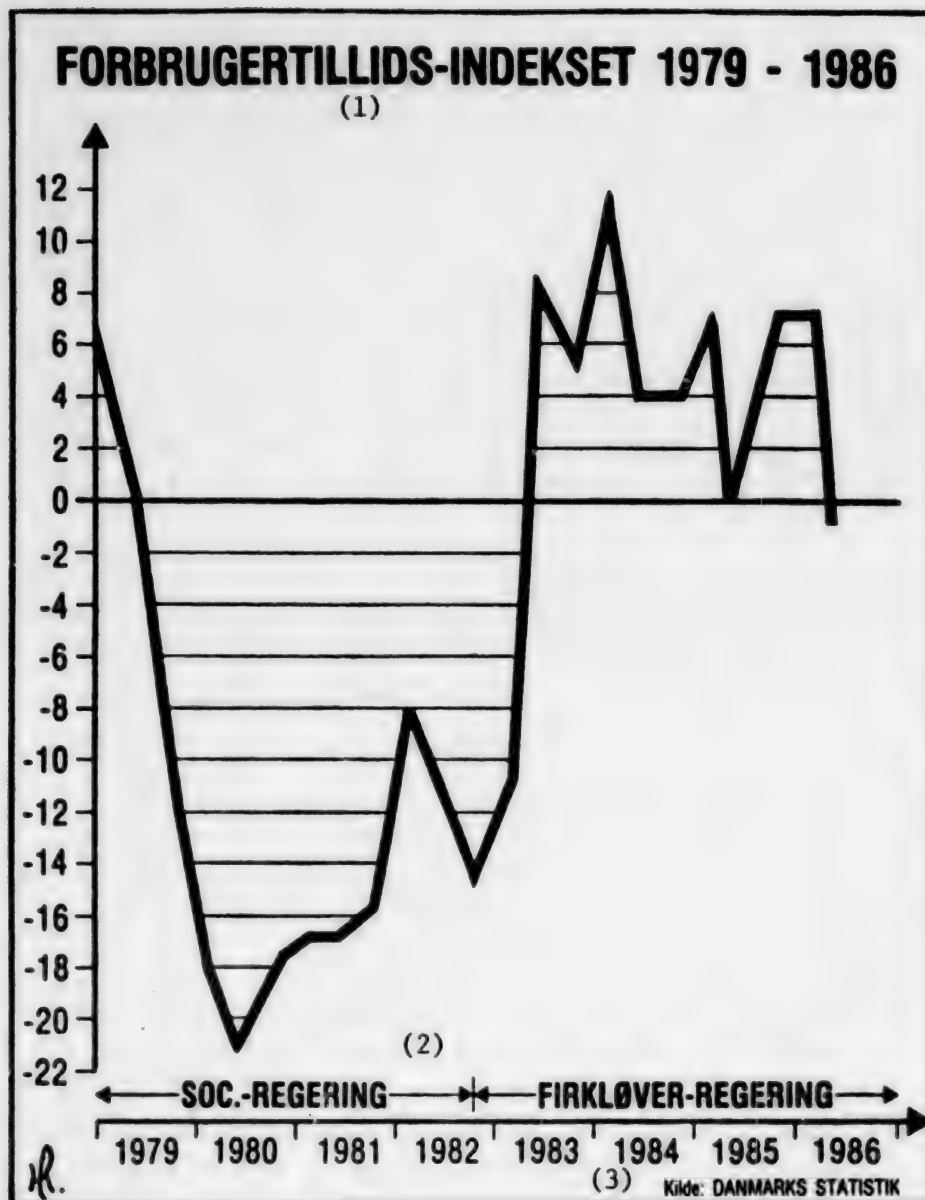
The Danish economic situation will be easier to handle with the consumer expectations at their present more restrained level.

It is no art to reduce the balance of payments deficit by means of increasing unemployment, pessimism and insecurity among the population, as happened under the previous Social Democratic government.

The art is to achieve economic equilibrium without jeopardizing the prosperity and the social security.

The Four-Leaf-Clover government has still got the possibility of coping with this task.

After all, the Social Democratic Party was not able to do it during the many years it had the opportunity of showing what it was capable of accomplishing.



**Key:**

1. Consumer expectations index 1979-1986
2. Social Democratic government--Four-Leaf-Clover government
3. Source: Department of Statistics

7262

CSO: 3613/147

ECONOMIC

DENMARK/GREENLAND

BRIEFS

FUNDS REQUEST FOR GREENLAND--Minister for Greenland Tom Høyem (Center Democrats) wants a good 54 million kroner appropriated for the improvement of housing and hospital conditions in Greenland. Fifty million kroner from the State's proceeds from the sale of stock in the Øresund Cryolite Company are to finance, among other things, 24.6 million kroner for municipal housing construction. In addition, the stock sale is to finance 25.4 million kroner for improvements at hospitals in Godthåb and Frederikshåb. It is desired that 4.1 million kroner be appropriated in the budget for improvement of the health service; among other things, 1.7 million kroner for a permanent helicopter arrangement so that dogsled trips of up to two weeks long to the remotest settlements can be avoided. [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 14 May 86 p 11] 8831

CSO: 3613/135

ECONOMIC

FINLAND

# POPULATION TO REACH FIVE MILLION, DECLINE RAPIDLY

Helsinki HUFVUDSTADSBLADET in Swedish 6 May 86 p 5

[Article by TW: "Population Decline: One Million in Fifty Years"]

[Text] Finland's population today: 4.91 million

Finland's population in the year 2000: 5.05 million.

Finland's population in the year 2050: 3.89 million.

Retired persons in the year 2025: 1.46 million, 30 percent of the total population.

These statistics are published in the population prognosis made by the Old-age Pension Institute (FPA).

The evidence of the recent population prognosis by the FPA shows that Finland's population will surpass the five million mark at the beginning of the 1990's and will increase further until the turn of the century. After that the population figure will start to decline, and in the year 2050 it will already be below four million.

In its calculations the FPA assumes that the mortality rate will decrease until the year 2000, that the birth-rate will remain on about the present level and that emigration will be balanced as of this year.

The population will increase until the year 2000, when it will reach 5.05 million. The following year the number of deaths will exceed the number of births and the population decline is a fact. During the ensuing fifty years, Finland's population is expected to decline to 3.9 million.

The age structure of the population will change substantially at the same time, there will be more old people and fewer young people.

Presently one person in eight is 65 years or older. But their share of the population will increase considerably during the beginning of the 21st century, so that one in four will be at least 65 years old in the year 2030.

At the same time, the number of children under sixteen will decrease from more than 20 percent to about 15 percent.



This means that the so-called age pyramid will no longer live up to its name. The base, consisting of children, will no longer be the widest and the top, consisting of old people, will no longer be so narrow.

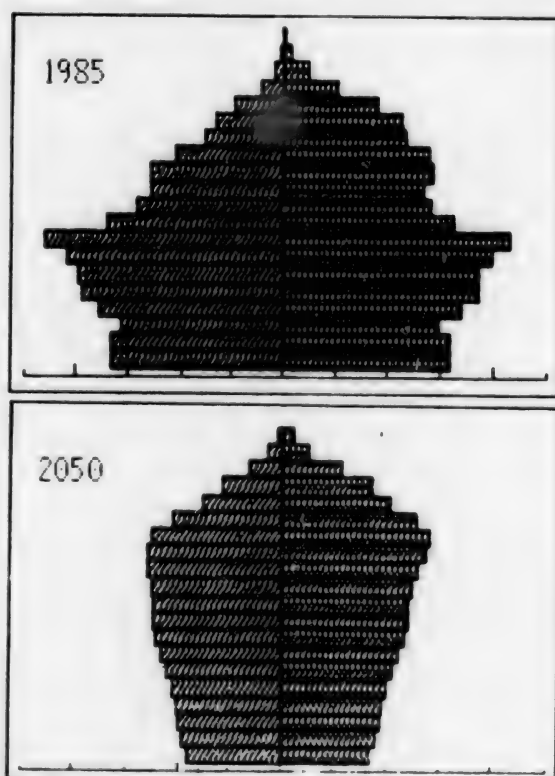
The number of old people, and consequently those drawing pensions, has been on the increase for a long time. Presently those on a pension exceed one million. Two-thirds of these receive old-age pensions and a scant one-fourth receive disability pensions.

It is estimated that the number of persons receiving pensions will reach its peak at the middle of the 2020's. They will then be close to 1.5 million. The FPA promises, at any rate, that the country will be able to afford to pay all pensions, but that presupposes an even economic growth.

The average lifespan is estimated to increase for men from 70.1 years to 74.3 years and for women from 78.0 years to 80.0 years until the year 2000.

In order to maintain the population at around five million, it is not only necessary for people to live longer, the birth-rate also needs to increase.

According to FPA's calculations, the birth-rate ought to be 30 percent higher than today in order to keep the population from declining.



□ *Finlands befolkning minskar med en miljon fram till år 2050. Samtidigt förändras åldersstrukturen ganska drastiskt, och det gamla begreppet ålderspyramid kan inte längre användas.*

Caption:

Finland's population will decline by one million until the year 2050. The age structure will change substantially at the same time, and the old concept of the age pyramid can no longer be used.

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ECONOMIC

FRANCE

#### ECONOMIC ASSISTANCE FOR FRENCH INDUSTRY REVIEWED

Paris LA TRIBUNE DE L'ECONOMIE in French 24 Apr 86 p 15

[Unsigned article: "Broad Range of Public Aid to Industry"]

#### [Text] Consultation Aid

Financially sound industrial enterprises with less than 500 employees, which use an outside consultant, can receive a subsidy (with a ceiling of 100,000 francs per enterprise per year) to finance no more than 50 percent of the consultation work.

#### Enterprise Modernization

The Industrial Modernization Fund (FIM) supports investments to modernize industrial enterprises, notably PMI (small and medium-size industry), and to develop future technologies. The support takes the form of low interest loans (9 billion in 1985) and building leases.

The MECA procedure makes it possible to introduce advanced production equipment into PMI through equipment subsidies (5-25 percent of the amount before taxes), technical assistance, and contractual testing.

#### Enterprise Development

Industrial policy appropriations encourage the completion of ambitious projects which cannot be fully financed by conventional means. They take the form of subsidies (maximum 15 percent of the program) or of advances repayable without interest.

Special investment loans help enterprises at essential stages in their development (creation, recovery, growth investments, exportation, and so on). They take the form of various long term loans with supersubsidized rates that can amount to 70 percent of an investment program except for taxes.

## Regional Guarantees

Guarantee for bank loans to enterprises whose investment programs help maintain or develop employment.

## Aid to Employment

Regional bonuses for enterprise formation: for creating five jobs for instance, the Ile-de-France Regional Council awards a bonus of 100,000 francs.

Regional employment bonuses: an enterprise which has exceeded the threshold of ten jobs three years after receiving the above bonus, can receive (in Ile-de-France) 10,000 francs per job from the 11th to the 30th job.

Local initiative jobs: subsidies of 40,000 francs per job created in enterprises or economic activities that exploit local resources, taking into account social needs that are not met, and so on.

Aid to job requestors which create or bring about the recovery of an enterprise: from 10,000 to 43,000 francs.

Employment-training-production contracts are aimed at developing competitive production while creating stable jobs. They take the form of decreasing subsidies over three years, corresponding to 40,000 francs per job for the first year of employment.

## Innovation-Research, Transfers of Technology

Aids to innovation range from the study stage up to prototype fabrication. ANVAR grants advances repayable in case of success, for less than 50 percent of the research program.

Recourse to innovation services helps PMI to move beyond the innovation process. ANVAR provides subsidies equal to 50 percent of costs except foreign taxes (minimum aid of 10,000 francs, maximum of 150,000 francs).

Research-tax credits encourage enterprises to undertake research and investments. Under some conditions, the credit has a ceiling of 5 million francs per year.

Aid to technical precounseling offers PMI free specialist services.

Technological vacations finance 75 percent of technical consultation services given to PMI. The subsidy cannot exceed 15,000 francs.

The "chip" program is aimed at enterprises with less than 2000 employees, developing a product that uses microelectronics. At the feasibility stage the subsidies are 50 percent of planned expenses, with a ceiling of 100,000 francs including taxes. The prototype fabrication stage receives subsidies or repayable advances.

Industrial agreements for training through research receive subsidies from ANRT (78,000 francs per year for three years).

### Exportations

Market studies abroad (except for CFCE services) receive various public supports: 1) Logistic and financial aid for task forces; 2) "Marketing studies" insurance (COFACE) covers a portion (50-75 percent) of deficits insured by enterprises; 3) "Show" insurance allows COFACE to pay 50-60 percent of participation costs in a foreign show outside EEC.

Advantageous loans are granted for development of production for exportation; these loans can finance 70 percent of an investment.

COFACE offers a whole range of exportation guarantee insurance (risk of market interruption, and so on).

Industrial and commercial location abroad: CODEX participatory loans; DIE Export loans; COFACE guarantee for investments intended to generate additional exportation; fiscal relief.

### Energy Control

Aid to preliminary studies: not more than 50 percent of study costs.

Automatic procedure for investment aid: subsidy of 20 percent of the investment funding, if the latter is less than 20 million francs.

Aid to demonstration: intended for first users of new equipment and processes for better energy control, it is a subsidy of 20-50 percent of allocated investments.

This list is far from exhaustive. Added to it are specific agricultural food aids, all professional training aids (aid for training counseling, aid associated with training development commitments, aid for professional adaptation and placement), as well as all collective actions.

For further information, consult the brochure "Public Aids to Industry," published by the Ile-de-France Prefecture.

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CSO: 3519/172



ECONOMIC

ICELAND

# NATIONAL ECONOMIC INSTITUTE, PUBLIC OPTIMISTIC IN OUTLOOKS

## Institute Reports Inflation Slowed

Reykjavik MORGUNBLADID in Icelandic 13 May 86 p 72

[Article: "Price Index Increase Beyond the Wage Agreement's Base of Reference: Wage Committee of Both Parties Discusses Wage Changes]

[Text] The Statistical Bureau of Iceland has calculated the increase in the cost of living index from 1 April to 1 May this year, and the conclusion is that the increase is 1.71 percent between months, or 0.55 percent beyond what was used as a base during the wage negotiations in February this winter. The wage committee of both parties will meet today to discuss the decision whether to raise wages because of this excess increase. If there is a disagreement in the committee, ASI [Iceland Federation of Labor] will cast the deciding vote this time.

"This conclusion is a great disappointment to me but it is, of course, clear that one of the main explanations is the rise recently in European currencies and the Japanese yen, " said Prime Minister Steingrimur Hermannsson in a conversation with MORGUNBLADID last night. The prime minister said that it was strange how much clothing had gone up in price during this one month; he also expressed surprise over the fact that the shipping companies had not lowered their shipping costs despite considerable decrease in the price of oil and decrease in finance costs. The prime minister was asked whether he considered that this excess increase might lead to some wage increases: "With the lowering of the dollar, our export industries have considerably reduced possibilities of supporting new wage increases. I do, however, not want to predict anything about whether wages will go up, and perhaps it is not unnatural that such a demand will be made," said the prime minister.

The increase during this 1 month corresponds to 22.6 percent inflation per year. During the last 3 months, the price index has, however, decreased by 0.76 percent, which corresponds to 3.1 percent inflation in 1 whole year.

This increase has lead to 0.3 percent increase in the housing index; 0.4 percent increase in clothing; 0.2 percent increase in alcohol and tobacco; 0.2 percent increase in new passenger cars; 0.2 percent increase in the insurance premium on passenger cars; 0.2 percent increase in the price of eggs and 0.8

percent in other increases. Conversely, there is a 6.7 percent decrease in the price of gasoline which caused the index to go down by 0.3 percent and a decrease in the price of mutton which in turn caused 0.1 percent decrease in the price index. In the news release from the Statistical Bureau of Iceland it is stated that about 0.6 percent of the increase in the price index from April to May can be traced to the increase in the price of foreign currencies in recent weeks.

Yesterday, when MORGUNBLADID asked Bjorn Bjornsson, economist for ASI and Thorarinn V. Thorarinsson, managing director of VSI [Confederation of Icelandic Employers] what the reaction of the parties in the labor market would be to this excess increase, they only said that the wage committee of the negotiating parties would handle the matter and make decisions in view of that study.

#### Poll: Lowered Inflation Expected

Reykjavik MORGUNBLADID in Icelandic 14 May 86 p 9

[Commentary by 'Staksteinar': "Economic Affairs: Inflation Forecast by the Public: 60 Percent of People Polled Expect Inflation to Be Under 20 Percent"]

[Text] City Affairs

Today, "Staksteinar" will look at an interview in the magazine FREE TRADE with Markus Orn Antonsson, director of the Iceland State Broadcasting Service, who resigned as a city council member when he took over his new job. The conclusions of the poll on probable price development in the country this year will also be discussed briefly.

#### Memorable Work in City Affairs

The magazine FREE TRADE asked Markus Orn Antonsson what was most memorable to him in his work in city affairs. He answered:

"The tenure from 1978 to 1982 is probably the most memorable, especially the final part of it; the election campaign for the 1982 elections and the victory of the Independence Party at that time. Very many people had predicted that after the majority lost in 1978, the Independence Party would never again have a clear majority. Fortunately, this proved totally wrong. It was extremely important that the Independence Party candidates were a very united group and the election preparation in the spring of 1982 was just a wonderful period. I would walk around the Raudavatn crevice area with the camera taking pictures for the campaign brochures, and there were other interesting projects on the agenda."

When he was asked whether it had been difficult to stop working on city affairs, Markus Orn Antonsson answers:

"Definitely. We all enjoyed a good and pleasant cooperation in the city council party and on the city council, especially I and David Oddsson [mayor]. Although there were the political lines of division, there was good rapport between people from the various parties. However, people must be prepared to change..."

#### Inflation Forecast by the Public

During the first quarter of 1983, the inflation growth, calculated at 12 month intervals, was 130 percent. Without any countermeasures, the inflation was rapidly spiralling the second hundred. The forecast was for 180 percent inflation before the turn of the years 1983/1984. Domestic expense of export production which was far beyond price developments in the markets, distorted the competitive position of Icelandic industries. Mass closings of companies was imminent, as well as extensive unemployment. Domestic savings had long since collapsed. Economic life became increasingly more dependent upon foreign credit. "The standard of living" was maintained by foreign borrowings that grew dangerously along with accumulated trade deficit. The purchasing value of the krona dropped constantly, even after the currency reform when 100 old kronur became 1 new krona.

A transformed economic policy with a new government in 1983 was therefore a reason for joy, even though the measures that had to be taken were not without pain. Inflation has decreased considerably; the growth of the inflation is slightly greater here presently than in our neighboring and competitive countries.

Recently negotiated wage agreements were the confirmation that the entire public wants to sail the ship of state into the calmer waters of stability and balance in our industrial and economic life.

Recently, Hagvanger conducted a poll on inflation expectations among the public on behalf of the FREE TRADE magazine. It comes forth there, among other things, that 60 percent of the people polled predict that the inflation will be below 20 percent during the next 12 months. That is admittedly a higher inflation than is the aim of the government and the parties in the labor market. Nonetheless, the main conclusion is that the public believes that government measures and a wage agreement that has been negotiated will secure the lowering of inflation. In comparison with a 130 percent inflation increase only 3 years ago, the results are unbelievable but nonetheless a fact.

#### Inflationary Dance of Collapse

Stability prevailed in Icelandic economic life during the so-called reconstruction years, 1959-1971. The annual rate of inflation was on the average within, and sometimes well within, 10 percent. A leftist government that came to power in 1971, picked the inflation as its "companion" and this "companion" grew fatter and fatter each year until 1983.

The inflationary dance of collapse shook Icelandic economic life; undermined our industries, especially the export branches; burned every wage increase that was negotiated while the ink on the wage agreement was drying, so to speak--and made our currency, the krona, almost microscopic. There are definitely not very many people who want to return to the raging inflation of 1971-1983.

When the criticism of the policy that forms the price development at present is viewed and analyzed, the inflationary dance of collapse in the past years must be kept in mind--and for comparison as well.

#### Purchasing Power Growth Predicted

Reykjavik MORGUNBLADID in Icelandic 16 May 86 p 56

[Article: "National Economic Institute Director Jon Sigurdsson: Considerable Increase in Purchasing Power of Wages This Year"]

[Text] National Economic Institute Director Jon Sigurdsson says that according to the Institute's forecasts on income and price development, the purchasing power of wages will increase considerably this year. If the forecasts hold, it can be said that the decrease in purchasing power from 1982-1983 will for the most part have been regained based on disposable income. This came forth in a lecture given by the director at a meeting of the Reykjavik Rotary Club last Wednesday and is published in MORGUNBLADID today.

Jon Sigurdsson said that according to the wage rate scale, the purchasing power will increase by 405 percent from the beginning to the end of the period agreed on by the labor market parties. The purchasing power of the pay scale would, however, remain the same on the average as it was last year. Purchasing power would, however, increase considerably measured in total wages, but total wages is disposable income before taxes. Now it is forecast that total wages would increase by 25-26 percent per person between 1985 and 1986 which means 4-5 percent purchasing power increase per person which is somewhat less than last year. The purchasing power of disposable income would probably increase less than that of income wages, or by 3-4 percent, compared with 6-7 percent last year. The explanation for this is that direct taxes and local taxes seemed to increase slightly more than personal income this year opposite to what happened last year, with everything else being unchanged, first and foremost because income last on which taxes are paid this year, proved to be higher than estimated when decisions about taxation was made at the end of February and beginning of March this year.

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CSO: 3626/33



ECONOMIC

ITALY

MASERATI-CHRYSLER FINANCIAL, INDUSTRIAL ACCORD SIGNED

Rome LA REPUBBLICA in Italian 29 May 86 p 33

[Article by Giorgio Lonardi]

[Text] Milan—Chrysler will ante 50 billion lire to join Maserati, enough to underwrite two thirds of the impending 75-billion-lire capital increase and thereby increasing its interest from 3,47 to 15,60 percent. There is Alejandro De Tomaso's answer to the harsh accusations leveled against him by the labor unions.

The Chrysler-Maserati agreement was signed on 23 May, and consists of two parts: one financial, one industrial. The financial part, in addition to the terms just cited, provides for the American company's option, to run to 31 July 1989, to buy 32.4 percent of GEPI. That would give Chrysler 48-percent ownership of Maserati, with the opportunity of making that 51 percent by buying another 3 percent interest by 1996. Until then, control of the corporation will remain in the hands of Benelli-American Finance, which currently holds 66 percent of its shares. In any event, after the capital increase and before the option, share holdings will be distributed as follows: Benelli-American Finance, 51.35 percent; Chrysler Italian Imports, 15.60 percent; British Leyland, 0.65 percent, and GEPI 32.40 percent.

The industrial portion of the agreement calls for a number of new commitments to be added to those already in effect. Specifically, Maserati is to supply 6,000 cars in each of 5 years; at least 4,000 and at most 6,000 4-cylinder 16-valve engines per year, plus at least 10,000 and at most 15,000 V-6 engines in 6 deliveries for shipment to the North American market. Over the 6-year period, the value of these orders, according to Maserati, should come to something like 1,360 billion, added to which would be 480 billion for orders already booked. Lastly, investments for plant and equipment are expected to run in the neighborhood of 120 billion.

News of the deal with Chrysler came only hours before Maserati's board of directors convened to look over the company's first annual report since its merge with Innocenti. Insofar as is known,



the books reveal a deficit of 18,347,000 lire, while prospects for 1986 are (or were) anything but rosy: there is even talk of a deficit or some 10 billion for the first 3 months of the year.

Well, what does De Tomaso have to say about that? Here is the Italo-Argentine automobilemaker's reply to a request for clarification: "It is no secret to anybody that Maserati lost money in 1985. However, it would be improper for a managing director to release the figures on the eve of the shareholders' meeting, which will take place tomorrow. Hence, no comment."

Such losses for the proud Modena company hits harder because it comes at the moment when its volume of business (279 billion) is a sorry performance for an automotive company. And the reasons for the decline are due not only to its debt service (some 25 billion), but can also be laid at the door of management, which reports 4 billion in losses. Were it not for those 10 billion lire forthcoming by way of financial support, the picture would be gloomier still.

When you get right down to it, De Tomaso's straits are nowhere near so troublesome in the situation right now as they will be for its potential developments. In the wake of the merger between the two automobile makers Maserati was in robust health, reporting a 20-billion-lire profit, while Innocenti reported 12 billion lire in losses. Now, though, we are looking at a company that is selling fewer cars of either make. While all this is going on, the union announces that it is going to apply to the wage supplement fund "because of failure to pay suppliers."

Maserati's losses, furthermore, may well become a political problem, involving the Industrial Participations and Management Company (GEPI). Only yesterday, the finance company sent a very strongly worded letter to the shareholders: Arcuti, chairman of the Italian Credit Institute (IMI), IRI chairman Prodi, ENI's Reviglio, and EFIM's Sandri. The message accuses all four of the government-appointed managers of "indifference" toward GEPI's own performance.

According to both the CGI-CISL and the UIL, GEPI's board of directors has become a well-feathered nest for "individuals who should have been painlessly removed from office." A practice, the labor unions allege, that would have given carte blanche to general manager Spera, the man who managed the entire Maserati operation.

What now, especially in view of tomorrow's day of reckoning, when the entire top management of GEPI itself is to be replaced? The unions counsel Arcuti, Prodi, Reviglio, and Sandri to "abandon the negligent line of behavior that has thus far been theirs." They go on to call for the replacement of the company's general manager, socialist Ruggero Manciatì, who, they charge, was conspicuous for his "utter lack of concern" with running the firm.

ECONOMIC

NORWAY

BRUNDTLAND, WILLOCH GIVE VIEWS ON POLICY NEEDS

Prime Minister Explains Goals

Oslo AFTENPOSTEN in Norwegian 23 May 86 p 2

[Op Ed Article by Gro Harlem Brundtland: "Basis and Possibilities"]

[Text] AFTENPOSTEN continues its attempts at presenting things in such a way that the economic problems the countries has been led into merely change the point of departure for the policy of the Labor Party and not for the non-socialist parties.

In "Topical Background,' Lars Hellberg writes (20 May 86) that the policy announced in the government declaration "is in striking contrast to the Labor Party's representation of real life and policy while in opposition."

Those who have had occasion to follow Norwegian politics since 1981 know that this is wrong.

As announced in the government declaration, we shall base our policy on the working program of the Labor Party, our comments on the long-term program and joint comments on the long-term program.

Correcting

The government's most important and most urgent task, however, is to correct the unfavorable developments of the Norwegian economic situation.

The problems that we are now confronted with are largely due to the lower oil prices. The basic problems are due to the unjustifiable growth of the private consumption that was released by the Willoch government in 1984 and especially in 1985.

This was an economic development which the Labor Party warned against and which was in conflict with the policy announced by the government itself in its national budget for 1986 and in its long-term program for 1986-89.

This has created an urgent problem and an imbalance in the Norwegian economy which would have required extensive restrictive measures, even without the drop in oil prices. Before the election the Labor Party stated that restrictive

measures would be necessary after the election. But that was denied at the time by Minister of Finance Rolf Presthus.

The most important political objective of the Willoch government was to strengthen the competitiveness of Norwegian industry. The government failed entirely in this respect. The competitiveness was weakened each year, despite several devaluations totalling 10 percent. Our strengthening of the competitiveness during the period 1977-81 was entirely lost. This year, we were confronted with a further and dramatic weakening of our competitiveness.

The Labor Party has on several occasions presented proposals which would strengthen the Norwegian trades and industries if adopted.

#### Action Program

Our long-term program comprised, among other things, an action program for the trades and industries, involving an investment of 10 billion kroner to improve the domestic situation for our trades and industries and a corresponding amount to improve the international prospects of our trades and industries over 4 years.

This action program was referred to as entirely unjustifiable by the nonsocialist parties. An investment of 10 billion kroner to renew our trades and industries in order to make us more independent of fluctuating oil prices was described as unwarranted. How would one then describe the policy pursued by the Willoch government which has lead to an increase in the private consumption for 1986, which is now 10 billion kroner higher than projected by the government itself in its long-term program?

The year 1985 became the golden age of automobile purchases, stock exchange speculations and consumer loans. The year 1985 will remain the unrestrained and irresponsible year of the Willoch government.

#### Sobriety

Hellberg writes that "as late as during the incomes dispute, they merely scoffed at Kåre Willoch's urgent requests for moderation and restraints."

This is directly untrue. The Labor Party has all the time been emphasizing the need for sobriety in the wage negotiations. However, we have criticized the former government for not supporting such a demand with a policy which would further moderation, among other things, by way of a just distribution. The three-party government has asked for moderation but has pursued a policy which has increased the private consumption and has given the biggest tax reliefs to the groups which have also received the largest increases in incomes. In this way, the policy of distribution contributed to undermining the possibilities of moderation also on the part of the major groups of wage and salary earners.

#### Changed

Which important conditions have changed since the Labor Party presented its alternative long-term program and its guarantee to the voters?

The Labor Party did not gain the majority in the election, nor any mandate to lead the Norwegian economy into 1986. In addition, the economic conditions on which the Willoch government based its long-term program have become dramatically changed.

#### Crisis

The abyss referred to by Prime Minister Kåre Willoch and the crisis discussed by Minister of Finance Rolf Presthus in April of this year are in striking contrast to the message 12 months ago. At the time--and during the entire period up to the election--they claimed that "we are on the right road." "We are gratified" and "the things that should increase are increasing and the things which should decline are declining." They did not announce the necessity for dramatic restrictions and reorganization of the economic policy in the message which, at the time, emanated from the government offices.

This spring, when faced with the effects of their own policy, they give up. They depart and leave it to others to solve the problems of the country. It is then extremely frank of them to stand on the shore, criticizing the new crew for not proceeding at full speed even before they have managed to get the ship afloat.

#### Willoch Criticizes Government

Oslo AFTENPOSTEN in Norwegian 24 May 86 p 3

[Article by Lars Hellberg]

[Text] "What we now get confirmed is that the election program of the Labor Party does not state what the party would do if it should gain power but only what it would say to gain power," former Prime Minister Kåre Willoch says in an interview with AFTENPOSTEN. He adds that the Labor Party, in government position, will have to forget its own irresponsible promises in order to be in a position to contribute to solving the acute economic problems of the country.

Back in the role of opposition, incidentally as chairman of the Foreign Policy Committee and the Constitution Committee of the Storting, Willoch promises to contribute to carrying through the needed unpopular measures to compensate for the loss of oil incomes. But, at the same time, he warns most sharply against tax increases which will weaken the willingness to make an effort or drain the business sector of the capital that will be needed to ensure continued economic growth.

#### Stimulus

The measures of restraint will have to be coupled with the equally necessary measures to stimulate the economy. In this respect, Willoch fully agrees with the viewpoints expressed by the chairman of the three coalition parties in an interview with AFTENPOSTEN last Saturday.



It remains to be seen how far the nonsocialist agreement on next year's tax program and the fundamental basis for a new tax reform will go. But there is no doubt that Willoch agrees with the chairman of the Christian People's Party, Kjell Magne Bondevik, that the new government will "ask to be overthrown" if they come back with tax increases of the type rejected by the Willoch government prior to the change of power.

"We shall contribute to the implementation of the necessary unpopular measures. But it is not possible to solve problems resulting from the drop in oil incomes without, at the same time, limiting the expenditures of the public sector," he stresses.

#### Willingness to Make an Effort

He points out that the former government invited the opposition at the time to cooperate on a tax system which will distribute the tax burdens in a more just manner, which will contribute to greater willingness to make an effort, to capital formation and growth. "I hope," he adds, "that the new government will show corresponding willingness to cooperate."

#### Clear Warnings

When it comes to his own political balance sheet, Willoch puts decisive emphasis on the fact that "throughout the period of economic upswing, the nonsocialist government found it extremely important to warn the nation against recklessness." "We constantly stressed the risk of a drop in oil incomes. It was not easy to make the Labor Party understand the warnings. But now that it has gained the government power, there suddenly is no end to the gloomy situation. ARBEIDERBLADET even writes about "an economic bankruptcy," says Willoch. He has no doubt that most people will see the unreasonableness in this agitation.

#### Balance Sheet

He sums up the balance sheet of the government at the change of power as follows:

"When we were overthrown, Norway was considerably farther advanced than when we took over in 1981. This applies to the economic as well as the social, scientific and cultural sectors. And our country met with confidence and respect from neighboring countries, allies and other friends throughout the world."

"Could you elaborate on this?"

"Norway's total production is expected to be 20 percent higher in 1986 than in 1981. And this is certainly not only due to the oil production. The total production of other products than oil and gas has increased by 16 percent. This is a very respectable growth figure which confirms that we achieved big results in our work to restore the ability of the Norwegian economy for growth.



## Labor Party Laying a Smoke Screen

"The fact that we have achieved such a high growth rate despite a too high cost level shows that both the tax policy and the greater freedom of action within the trades and industries have given very positive results. And these results have lead to a higher standard of living for all groups. The Labor Party will not be allowed to succeed in its attempts to lay a smoke screen over these facts through its incorrect claims regarding the social distribution," Willoch points out.

## Health Problems

He admits without circumscription that we still have big problems within the public health sector. But he points out at the same time that the number of patients treated in hospitals has increased considerably, incidentally in co-operation among personnel, management and the authorities. On the other hand, during the last government year of the Labor Party's previous period in government, there was a decline in the number of patients treated.

A considerable expansion within the nursing home sector was also experienced during the nonsocialist government period, following a decline during the first years as a result of a lack of planning during the Labor government period. "It has been a necessary effort," says Willoch. "But we have also found it right to concentrate more of the effort on the care of the elderly in order thus to prepare the ground for greater freedom of choice and a more meaningful old age," he points out.

## Unemployment

"You have previously given expression to a fear of large-scale unemployment if we do not now take hold of the situation?"

"Already the inflation throughout the latter part of the seventies and up to 1982 led to the loss of tens of thousands of jobs and considerable unemployment during part of our government period. But we have succeeded in restoring full employment in most of the country. The successful efforts in this area are associated with an active district policy."

## Reevaluation

"The efforts for the districts have not at all become weaker but stronger than previously. But the centralized efforts have also become stronger, partly for reasons which a traditional district policy may not be sufficiently suited to accommodate. We were thus also in the process of reevaluating the means."

"In short, we have pursued an economic growth policy both on a medium-range and a long-range view. The educational policy is part of this picture. A total of 35,000 additional places have been set up in the continuing education sector and 10,000 new study places have been established at universities and technical universities. The share of research in the incomes of the country, which declined during the last period of the Labor government, has increased from 1.3

percent of the gross national product in 1981 to upwards of 1.6 percent of a much larger gross national product this year."

"At the same time, the foreign debt of the country has been reduced to a fraction of what it was, and we have built up a very solid foreign exchange reserve. This merely resulted in spiteful remarks when the Labor Party was in opposition and said that the country had enough money for almost anything. But it was a reserve which would have been strong enough to maintain the international value of the krone if it had not been for the irresponsible cooperation that we got between the Labor Party, the Progressive Party and the Socialist Left Party, which brought about the change of government and thus ruined the confidence in the value of the krone," Willoch states.

#### Bright Spot

The overthrown prime minister does not take an optimistic view of the country's future prospects under a Labor government. The bright spot in the situation is that the government party finally seems to have understood the seriousness of the situation. "However, the sudden departure from the large-scale election promises which gave the Labor Party the strength which has now given it the government power, at the same time, raises the question of political ethics."

"They knew that the oil prices might decline. They were warned. But to win the election, the Labor Party guaranteed a number of things which its leaders knew that they were in great danger of not being able to keep--to put it in cautious terms. The Labor Party misled the voters. And many of them are bound to have known that they did it," says Willoch, who like everybody else is anxiously awaiting the announced measures of restraint.

#### Paper Criticizes Policies

Oslo AFTENPOSTEN in Norwegian 26 May 86 p 2

[Editorial: "In a Decisive Phase"]

[Text] Norway's footnote within NATO and the move to levy higher taxes are clear and somewhat dramatic reflections of a policy which deviates fundamentally from the political course of the Willoch government. If Gro Harlem Brundtland will continue on her course, this will soon be felt in an increasingly larger number of areas of the economy.

We have a government which naturally and as it is to be expected will be marked by its socialist basic attitude. Another characteristic is the shift in the security policy area. Being strongly affected by neutralist currents, it represents a new dimension within the "modern" Labor Party.

After the Harlem Brundtland government has got off the beach rock and is now in open water, it may be established that the course of the government has been shaped on the basis of well-known socialist principles. The political left orientation is already a fact. Faced with this important political reality, one would be inclined to think that the shaping of a uniting alternative by the nonsocialist parties would be a relatively simple matter. At any rate, there is hardly any doubt that nonsocialist voters in general expect a

clear demarcation of the political dividing lines.

However, within the Storting, the problems are far more complicated than what they appear to be to the voters. There, the situation is that some of the representatives of the middle parties find the moves and signals on the part of the Labor government more attractive than the policy pursued by the Willoch government. This nonsocialist divisiveness constitutes the Labor Party's sole possibility of governing with a Storting composed of a non-socialist majority.

The discussion of the Labor government's package of measures of restraints will be the first major test case for nonsocialist cooperation after the fall of the Willoch government. A major point in this context is the proposed increased taxation which is firmly rejected by the Conservative Party, while circles within the middle parties clearly are prepared for a compromise. If the Labor Party should receive help from the Christian People's Party and the Center Party to increase the tax pressure, the three-party cooperation will be seriously damaged. Not only that: Such a standpoint on the part of the middle parties would have decisive effects on the further political development. Another indication of Harlem Brundtland's possibilities of governing the country within the present Storting period will be the position on the part of the same parties on Defense Minister Holst's footnote within NATO.

After the downfall of the Willoch government, we have asked the three former government parties to prepare the basis for a uniting nonsocialist alternative in the new political situation. Both for the voters and they themselves it is more important than anything else that the choice of direction remains unwavering. Vacillations and divisiveness will only have a destructive effect.

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CSO: 3639/118

ECONOMIC

PORTUGAL

# GOVERNMENT ECONOMIC POLICIES TERMED FAILURES

Lisbon 0 JORNAL in Portuguese 16-22 May 86 p 20

[Article by Daniel Amaral: "Marketing Technique Triumphs; Economy Failing"]

[Excerpts] Let us say that what is about to happen is no surprise. As soon as the present government took office, and with its evident fragility in mind, we made an effort here to "predict" the methods it would adopt.

## Investment and Employment

The step proposed by the government which has had the greatest impact has been the relaunching of investments. There was to be an increase of 10 percent in 1986, after the chaos seen in this sector in earlier years. In a first phase, such investment would be launched by the public sector, which would carry the private sector along with it.

It is too bad that no statistical mechanism functions in Portugal, for we would prefer to work with figures rather than reasoning on the basis of pure supposition. But we believe that we make no error in asserting that all of this has failed or is about to fail. There is no public investment nor private investment. There is simply no investment. Is it the fault of the Assembly of the Republic? This would be too easy. Even if we agree that it did somewhat delay the execution of the 1986 budget, hindering some government efforts, we would only be speaking of a certain postponement in investment by the public sector, about 32 percent of the total. What about the 68 percent of private investment, then, which did not depend on any budget? Let us call things by their proper names. Investment to date has failed because the businessmen do not believe in the present government. They do not have that confidence in it of which it has boasted so much.

And in speaking of investments, one must naturally discuss employment. We are continuing to react to some extent on the basis of feelings, because we do not have figures, but the conclusions are obvious. We know of no major project which has increased employment, but we do know of various business bankruptcies which have reduced it. We can now conclude that, as of the end of 1986, there will be more people unemployed than at the end of 1985. After so many promises that the reverse would be true, how can the government overcome this difficulty?



## Profits and Prices

But the most curious situation is seen in the profit and price policy, which is nothing other than the combined effect of the price policy, the budget policy and the wage policy.

In connection with inflation, taking advantage of a certain ignorance on the part of the people as to how the rates are calculated, the government is doing some appalling things. And let us be reasonable. It succeeded in persuading many people that after it took office, prices would begin to decline. Some readers will still recall what we wrote (and demonstrated) here some weeks back. In the first 5 months of the present government's administration, prices rose at a rate more than three times (!) the average rate in the 5 preceding months. (Today, we can extend the analysis to 6 months. From May to October 1985, prices developed at an average rate of 5.3 percent per year; from November 1985 to April 1986, the average rate was 19.6 percent per year. And they are insisting that since this government took office, the situation is improving?) Even knowing that some increases seen were of an annual nature, and therefore will be balanced out in time, the effort to present a picture of efficiency in this sector lacks credibility.

In the wage sector, the government made an extremely clever move, which we should not fail to point out. But it has nothing to do with improvement in the conditions of life for the workers. Let us recall that prior to this government, the reasoning for any wage-scale negotiations was based on past inflation, and the talk was about reestablishing purchasing power. Since this government took office, the concept of future inflation has been introduced, and there is talk of establishing positive real wages. This may seem to be an insignificant detail, but in terms of how the public views it, it has had surprising effects. As past inflation (1985) was about 20 percent, and future inflation (1986) is supposed to be between 12 and 14 percent, any wage increase in the 15-16 percent range is represented as Utopian, whereas compared to earlier years, it is a real disaster. This is a curious phenomenon. It appears that wages are increasing even when they are declining, in other words, the workers will be the victims of skillful government strategy.

Regarding budget policy, what has happened in the Assembly of the Republic says it all. It was the opposition and not the government which imposed reductions of about 9 million contos on professional and supplementary taxes.

## Political Marketing

Now then, what can we conclude from all of this? Basically, two things. First of all, that the government has not to date done anything which would justify its much-vaunted and exploited image of competence. And secondly, that this image is still in place, despite everything, although it is now dimmed.

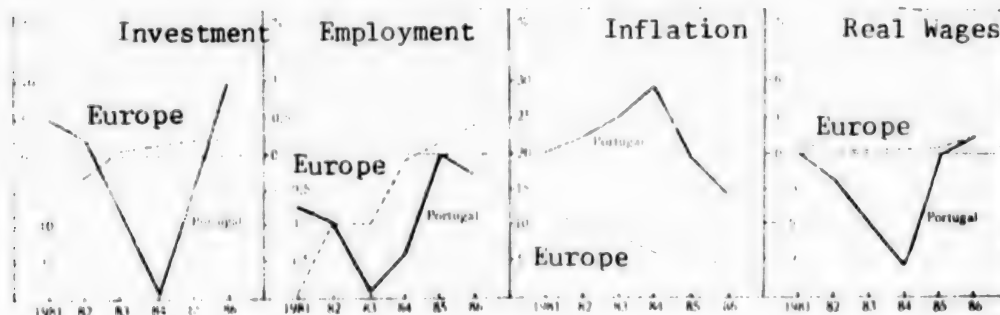
The explanation for this lies in marketing techniques. The sale of a new product begins with advertising, packaging, the marketing method. Only then do the quality and price components come into it. With a good advertising



campaign, the client always buys once, and then continues to buy or decides not to. Rarely does he decide not to without testing the product.

We are at this point with Cavaco Silva. The campaign was spectacular. The message was heard. And the enthusiastic "customers" "bought" once as a test. Now they are disappointed, and they have begun the process of rejection. The "product" was not satisfactory. If we judge rightly, the government is into the countdown. The marketing technique triumphed but the economy is failing.

#### Development of Some Indices for Portugal and Europe



Note: The estimates (1985) and the predictions (1986) for Portugal are the author's.

Investment is failing, and with it the employment policy.

Inflation is a disaster, and with it the real wage policy.

Yet in Europe generally, all of these things are improving, although slowly.

The political "marketing" policy, very successful, has produced a certain enthusiasm. However, actual testing, which is unforgiving, has now led to rejection.

Source: OECD, Bank of Portugal, 1986 GOPs.

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ECONOMIC

PORTUGAL

#### BRIEFS

EUROPEAN AID ALLOCATION--Portugal will receive about 31 million contos in 1986 from the European Social Fund, according to the fund budget recently approved. Of this amount, about 23 million contos will be allocated for investments designed to create jobs for young people, 8 million will go to jobs for adults, and about 350,000 contos will be used for "specific measures" within the social investments sector. The European Social Fund monies allocated to Portugal come to 8.86 percent of the total fund budget. In the budget of the FSE, Portugal has the status of a "neglected region," qualifying it to benefit from a share of the funds amounting to 55 percent of the total for investment projects designed to create or convert job opportunities. Portugal ranks fifth among the beneficiaries of the European Social Fund. Its principle beneficiaries, as has been the case for some years, are Italy, with 21.96 percent of the budget total, England, with 16.39 percent, and France, with 15 percent. [Text] [Lisbon O JORNAL in Portuguese 16-22 May 86 p 17] 5157

CSO:3542/111

ENERGY

FINLAND

# CHERNOBYL AFTERMATH: CANCELLATION OF NUCLEAR POWER PLANS URGED

Helsinki HUFVUDSTADSLADET in Swedish 7 May 86 p 2

[Editorial by Jan-Magnus Jansson: "Reflections After Chernobyl"]

In today's first editorial, Jan-Magnus Jansson summarizes the aspects of the situation after the nuclear power accident in Chernobyl, especially as it concerns our country.

[Text] It can hardly be termed an overstatement to say that the nuclear disaster in Chernobyl (commentary in the HUFVUDSTADSBLADET Apr 30) has become a psychological turning-point for the people in Europe, no matter how great the actual damage from the accident is or will be inside, or outside, the Soviet borders. For the first time, densely populated Europe experienced, in a tangible manner, what an accident in a nuclear power plant is really like.

It also meant that the control and information systems that have been developed in various countries with a nuclear accident in mind, were tested in an actual situation for the first time. The evaluation of how they functioned will continue for a long time.

This is an effort to outline in seven points, without detailed justification, a few conclusions that have already been drawn, especially in regards to our own country.

The first, absolutely primary, point concerns the question of information. It is impossible to discuss seriously a matter about which we are not sufficiently informed. As an example, we need to know more about the probable causes of the accident, about its local consequences, and especially whether it was due to defects peculiar to this power plant alone or whether it could possibly be repeated either at nuclear power plants of a certain type or at any nuclear power plant at all. Conclusions about the use of nuclear power will be radically different depending on the answer.

It is still not clear whether we will receive this information. The last couple of days, the Soviet Union has practiced a more open information policy, apparently due to pressures from the outside world. A comprehensive and detailed report, preferably with the assistance of international experts, would be necessary, however, in order to give a clear picture of what did happen.

We hope that the visit to Moscow of Hans Blix, president of IAEA, will increase the possibilities of obtaining an adequate insight into the accident.

In reference to this particular case, point number two is that a system of obligatory international information about nuclear power accidents must be accomplished. It concerns people's health regardless of borders. It must be considered a gap in the international agreements that an information obligation, encompassing all countries, does not already exist. This should be accomplished under the direction of IAEA. If the question were limited to Europe it could, of course, be discussed within the framework of KSSE (expansion unknown).

The third point could possibly be called foolishly simple, but it still deserves to be raised, since the current discussion does not always pay it sufficient heed. It is obvious that each country now wonders what consequences the Chernobyl experience will have on its own energy policy. That is a legitimate question since each country has a moral responsibility for its own actions (we will return to this matter shortly).

At the same time, however, it must be said that the handling of nuclear power questions by small countries is, in practice, of marginal significance. We live in a Europe dominated by nuclear power and it is hardly likely that large powers in the area, such as the Soviet Union and France, are going to depart from their policies favoring nuclear power. The Soviet Union's policy is especially important to Finland and we know that large nuclear power plants in our neighboring country are close to our territory.

The conclusion is that we must develop our own security and information systems, based on the supposition that we will continue to live in an environment dominated by nuclear power.

The fourth point is that we can be justly satisfied with the fact that we adhered strictly to our stringent safety norms while building our present nuclear power plants. Everyone, who experienced that building phase, knows that it was not easy and that the Radiation Safety Center made a significant contribution. To the extent that criticism and comments concerning our existing nuclear power plants do occur (note for instance the letter-to-the-press from 'Strength in Lovisa' in the HUFVUDSTADSBLADET yesterday), they must be taken seriously when they so deserve.

All of the last points concern the future energy and especially the nuclear power policy of our country. The question in everyone's mind is now: what will be the decision about our own energy production? In a democracy, the best decision is not always the one considered correct by the experts, but the one that is based on a sufficiently broad opinion. At the present time, it is not possible to bring about a positive decision about a new nuclear power plant, especially since several of the parties to a negative or hesitant stand even before Chernobyl. Without resorting to exaggeration, it could be said that even Finland's Riksdag is hardly prepared to make such a decision right after the election. If there were efforts to force the building of a fifth nuclear power plant, we'd run the risk of entering into a series of harrowing fights of the kind experienced in Sweden at the end of the 1970's.

Consequently--and that is the fifth point--we arrive at the conclusion that the government would be wise in deciding to build, in the near future, a coal-burning power plant large enough to meet the energy needs in the 1990's. This assumes that the calculations, with which IVO (expansion unknown) is working, are correct, and which assume that a major power plant will be ready in 1992 or 1993. Apart from the fact that the government would thus solve the dilemma, it is obvious that a nuclear power plant could not be made functional by that time, especially if the decision were made after the election. A coal-burning power plant, on the other hand, can be planned and built much faster.

The equipment and the location of such a power plant pose their own questions. Naturally it must be provided with as effective a purification system as possible. Locating it in the neighborhood of one of our coal-ports--Bjorneborg, Nadendal, Kotka--is to be recommended.

Such a decision would not only calm the political turmoil, it would also give scope for a thorough evaluation of the current situation in the nuclear power field and its probable development. The sixth point, consequently, is that we need a discussion about nuclear power on the basis of new premises, factual and free from politically tactical calculations.

The last and seventh point is that there are not enough motives for a decision to phase-out our present nuclear power. The reasons are many. It is generally admitted that, from an international standpoint, the security at the plants must be considered high. Nuclear power constitutes a considerable part of our energy production. We have invested billions in the four nuclear power plants, which have only recently begun to bear fruit, and they will function for decades. Unless any now unknown, special circumstances occur, we have no reasons to consider a phasing-out.

As we know, Sweden has decided to phase-out nuclear power by the year 2010. It was a decision based on politics during a difficult stage of public opinion. On the other hand, it can hardly be right to anticipate a development with do many unknown factors. Nuclear power may be abandoned in the next century, it may also obtain, in some form, a more undisputed position than it has now. The Swedish decision is not for us to copy.

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OCEAN/POLAR ISSUES

SWEDEN

COUNTRY TO ESTABLISH FIRST ANTARCTIC RESEARCH STATION

Stockholm DAGENS NYHETER in Swedish 4 Jun 86 p 7

[Article by Lasse Johansson: "Sweden Steps Into Antarctica--Environmental Protection in the Swedish Tradition"; first paragraph is DAGENS NYHETER introduction]

[Text] Sweden will invest between 30 and 45 million kronor over three years to establish its own research station in Antarctica. This was announced when the Polar Research Secretariat on Tuesday presented its proposal for Swedish involvement in the Antarctic.

Both polar areas have become more important. In the areas around the Arctic natural resources are beginning to be exploited. At the same time the new law of the sea makes it more difficult for Sweden to carry out research programs in the economic zones of other countries.

The Long Term

In Antarctica the situation is entirely different. Under the treaty of 1959 the continent is open for research, but possibly the treaty will be renegotiated within several years, and then Sweden should be present. The investment in our own research program can be seen as an entrance ticket to be present when the interest in the Antarctic becomes all the greater.

The objective of the Swedish Antarctic program is to establish long term Swedish research in the area so that we can participate with the treaty countries and thus influence developments.

At the presentation of the program in Stockholm on Tuesday Professor Anders Karlqvist said, "In the beginning we will cooperate with New Zealand on a small scale, and in 1988/89 we will conduct our own larger expedition."

On the same day Sweden's and New Zealand's prime ministers signed an agreement on cooperation in Antarctic research.

"The Swedish scientific program will involve environmental studies, measurement of changes in the environment and climate studies," said Anders

Karlqvist.

The base for these studies will eventually be a Swedish permanent research station in the New Zealand zone of Antarctica.

At first the Swedish program will involve glaciology, geology and climate research. Within primarily the third area Sweden has an internationally famous research group, and there is pressure from the polar secretariat for environmental involvement in the research, even though it is going to be mainly basic research.

"One must see both polar areas as related and we expect to be able to influence environmental protection in the Antarctic when in the 90's we will participate with the consultative countries on the Antarctic treaty," said Bo Johnson Theutenberg.

#### Extensive Resources

He does not want to see the new plan as an entry ticket so that Sweden can participate when the extensive mineral resources begin to be exploited; that will be too difficult and expensive, and is too far in the future.

Anders Karlqvist said that it is clearly science motivated to invest these millions in Antarctic research.

"I imagine that development of the Antarctic will take place by leaps and bounds, and we must be ready for it," said Anders Karlqvist.

The Antarctic program, from the relatively recently established Polar Research Secretariat, is a foundation for the proposal which the government will put before the Riksdag. If the government gets a majority for the proposal perhaps we will have a Swedish station in Antarctica in the 90's which will fulfill our proud traditions in Arctic research.

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